

THE HOSPICE OF THE VALLEYS
(A REGISTERED CHARITY)
(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2022

Charity Number: 517724

Company Number: 2007005

THE HOSPICE OF THE VALLEYS

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THE HOSPICE OF THE VALLEYS

Report of the Trustees for the year ended 31st March 2022

The trustees present their report and the audited annual financial statements for the year ended 31st March 2022

Reference and administrative information

Charity Name:	The Hospice of the Valleys	
Company Registered Number:	2007005	
Charity Registered Number:	517724	
Registered Office:	Festival Drive, Ebbw Vale, Gwent, NP23 8XF	
Trustees/Directors:	Miss Susan Kent MBE DL (CHAIR) Mr Allan Harris (Vice Chair) Mr Alan Williams Mr Phillip Robson Mr Kevan Lines (resigned 6 th June 2021) Reverend Barry Roche (resigned 26 th July 2022) Mrs Sally Mirando Mr Robert James (deceased July 8 th 2022) Mr Mathew Morris-Parker Ms Nina Holmes (resigned 28 th March 2022) Mrs Julie Timothy (appointed 26 th July 2022) Mr Stuart Williams (appointed 26 th July 2022) Mr Owen James (appointed 24 th May 2022)	
Company Secretary:	Mr Grant Usmar	
Senior Management Team:	Mr Grant Usmar – Chief Executive Mrs Jane Hart MBE – Head of Clinical Services Mrs Heather Beynon FCCA – Head of Finance	
Independent Auditors:	Baker Knogle Chartered Accountants, Orbit Business Centre, Rhydycar Business Park, Merthyr Tydfil CF48 1DL	
Accountants:	Hale Jackson Knight Limited, 19 Gloucester Road, Ross-on-Wye, Herefordshire, HR9 5LQ (to 19 th November 2021)	
Bankers:	Lloyds Bank Plc. 8 High Town Hereford HR1 2AE	The Co-operative Bank PO Box 250 Skelmersdale WN8 6WT
Investment Bankers:	Rathbones, 159 New Bond Street, London, W15 2UD	
Solicitors:	Lewis & Lines, Commercial Chambers Abertillery, Gwent, NP13 1YB	

THE HOSPICE OF THE VALLEYS

Report of the Trustees for the year ended 31st March 2022

Structure, Governance and Management

The Trustees/directors are pleased to present their report and financial statements for the year ended 31st March 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

Governing Document

The charity is a charitable company limited by guarantee, incorporated on 4th April 1986. It is governed by a memorandum and articles of association and does not have a share capital. The limited company registration number is 2007005. The company is a registered charity under the Charity Commission, reference number 517724.

Appointment of Trustees / Directors

The Directors of the company are also charity trustees for the purpose of charity law, and under the company's Articles are known as the Council of Trustees (The Trustees). As set out in the Articles the number of members of the council shall not be less than five nor more than ten.

Trustees are appointed by the board of trustees in accordance with the Hospice's procedure on appointment of new trustees. Trustees appointed in the year are interviewed by the Chairman prior to being elected by the Board of Trustees. Such appointments are ratified by the members at the next General Meeting. Trustees must sign an undertaking that they are fit to serve (i.e. meet specific requirements).

Trustees serve for six years after which this may be renewed by the members at the next General Meeting.

Trustees Induction and Training

All prospective Trustees are sent an information pack containing the Memorandum and Articles, Vision Mission & Values, Hospice of the Valleys Philosophy, last two Annual Reports, last audited accounts, Hospice of the Valleys – Trustee responsibilities, Charity Commission booklet CC3 – Responsibilities of Charity Trustees, Help the Hospice Trustee Induction Pack, and the latest Strategic/Business Plan.

Organisational Structure

The Hospice is managed by a council of trustees of between five and ten members who meet bi-monthly. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

Key Management and Employees Remuneration

Hospice of the Valleys recognises that it must ensure staff are rewarded appropriately for their work and dedication. It is also necessary to ensure competitive rates of pay and benefits are maintained to ensure retention and recruitment of the best calibre staff to deliver the Charity's objectives.

The Board has agreed a Hospice pay scale that encompasses all staff. This scale is based on the NHS Agenda for Change pay scale and is applied to all staff. The Board of Trustees approves an annual pay increase for all staff at its budget setting meeting in Feb/March each year. The level of pay is set on joining the Hospice. Movements within the scale and any increases are wholly subject to appraisal and related performance reports and are decided by the Chief Executive. The Chief Executive is appraised by the Chairman and remuneration agreed by the board. Whilst the Hospice seeks to maintain equivalence with prevailing nationally negotiated conditions of pay it cannot be bound by their agreements. Cost of living and other salary increases are discretionary and subject to funding constraints.

The Hospice is a Direction Employer under the NHS Pension scheme and qualifying staff are eligible to join this scheme on employment with the Hospice. For other staff the Hospice has a stakeholder pension scheme into which it contributes 5% of salary. All non-NHS pension staff are auto enrolled into this scheme on employment with the Hospice.

Risk Management

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

THE HOSPICE OF THE VALLEYS

Objectives and Activities

The principal activity of the company in the year under review was that of a hospice and specialist palliative care service.

The aims of its service are to benefit the public through the following objectives:

- To practice holistic Hospice care, addressing all the patient's needs, physical, spiritual, social and emotional.
- To support families so well that they are enabled to care for dying relatives at home to the end.
- To maximise patients' autonomy.
- To establish a model of Hospice care that is recognised locally, nationally and internationally as being of the highest standards. To teach about our methods.
- To care for patients from first diagnosis of a life-threatening illness through to cure or death. To support carers throughout this time, and in bereavement as long as necessary.

In order to achieve these aims the Hospice aims to be a Specialist Palliative Care Provider – Consultant led with a team of highly trained and skilled clinicians, social workers and other professionals. The Hospice has embarked upon a review of its clinical governance framework under the leadership of the consultant, which will ensure a robust evidence based delivery of appropriate care to the population of Blaenau Gwent.

The Hospice now benefits from the support of over 200 volunteers. A large proportion of these help us to fundraise by manning our six shops, driving our vans, and helping at fundraising events. Volunteers also help at our clinics as hostesses, welcoming new patients and providing refreshments.

The value of volunteer time is not quantified in terms of money, but the time contributed by volunteers is an invaluable resource in terms of the outstanding contribution made by them.

How our activities deliver public benefit

The Trustees have had regard to Charity Commission guidance on public benefit. Our objects and funding limit the services we provide to those residents in Blaenau Gwent. We deliver public benefit via the following activities:

- Hospice of the Valleys provides community-based Specialist Palliative Care to the people of Blaenau Gwent who are suffering from a life limiting illness, their families and carers.
- We also provide a Hospice at Home service where patients can have Healthcare Assistants in their home during the night and in the day.
- Our staff work in collaboration with other Healthcare Professionals to ensure patients always receive appropriate, high quality care when needed.
- We always strive to ensure patients are cared for in their preferred place of care which may be their own home.
- People with a life-limiting illness can be referred to Hospice of the Valleys and access any of the services provided by the Charity.
- Services are provided free-of charge to patients and their families/carers.
- Hospice of the Valleys is at the heart of the Community providing employment, volunteering opportunities and many public events and activities.

THE HOSPICE OF THE VALLEYS

Chairman's Summary

Entering a new financial year naturally lends itself to reflection on the challenges and achievements of the previous year. This financial year also marks the end of our current 5-year strategy and offers an opportunity to look back at our goals and progress.

Although the worldwide pandemic has had an effect on our activities over the last two years, changes in the way health and social care have developed in recent years have had an impact on either delivering on our strategic goals or changing our priorities as an organisation. Increased costs and keeping pace with the Agenda for Change pay scale for staff has also placed some restrictions on the charity's ability to invest in some areas.

Our Strategic Objectives: Hospice of the Valleys Strategy 2017 - 2022

- 1. Sustain and improve current levels of patient-focused and patient-centred care through all aspects of service provision and ongoing development.**

ACHIEVED (but ongoing)

Services have been reviewed, new outcome measures introduced and the new strategy will build on the developments on patient-focused care that have been developed over the last 5 years.

- 2. Respond positively and flexibly to the specific needs of our patient population, extending the current levels of "24/7" care to include 7 day working for all services with access to outpatient, day centre and family support services extended to 8am – 8pm;**

PARTIALLY ACHIEVED:

Due to cost constraints and the development of other 'out of hours' services this element of the strategy has not been fully achieved. Patients and families can access Hospice of the Valleys 24/7 and patient visits take place 7 days a week from 9am to 10pm. We have worked to ensuring that teams focus resources on the most vulnerable during working hours so that needs are addressed in a timely manner.

- 3. Respond positively to the changing case mix with reciprocal working agreements across a range of medical specialities e.g., Motor Neurone Disease (MND); cardiac; dementia; renal;**

PARTIALLY ACHIEVED:

We have developed excellent working relations with Ysbyty Tri Chwm in jointly supporting patients living with dementia. Staff participate in Multi-Disciplinary Team Meetings at Nevil Hall Hospital, the MND Services as well as at local GP surgeries in order to offer a more holistic service to local families.

- 4. Extend the current hospice at home service to include the provision of "packages of care" and a rapid response team**

PARTIALLY ACHIEVED:

Our team now provide a Hospital Admittance Avoidance Project (HAAP) funded by the local health board. This involves delivering more short-term packages of care to local families to prevent avoidable hospital admissions. We are in on-going discussions with local Social Services teams about other services we could be commissioned to provide as well as putting a proposal to the health board to manage the CHC fast-track budget for the local authority area.

- 5. Improve the range of specialist services available, including, increased medical cover; occupational therapy; physiotherapy; dietician and psychology**

PARTIALLY ACHIEVED:

The option to access increased medical cover has not been possible due to financial constraints. We have found that a duplication of occupational health and dietician roles would not be cost-effective when staff are able to easily refer into statutory services.

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We now have a hospice employed Specialist Palliative Care Physiotherapist in the organisation and as part of the charity's Leadership Team.

- 6. Support the increasing need for local access to transitional care, helping to bridge the gap between paediatric palliative care and adult services.**

ACHIEVED:

We have played an active role in a consortium looking at the needs of patients transitioning between the paediatric palliative care and adult services.

- 7. Build services that take account of potential changes in local population demographics as a result of planned regeneration and ensure equity of access for all**

ACHIEVED:

Data from Welsh Health Maps and other local health and demographic data show that on average Hospice of the Valleys and is supporting the majority of patients with a terminal diagnosis and needing specialist care. Our annual caseload is now showing an equal split between cancer and non-cancer patients. Around 50% of local residents who die each year in Blaenau Gwent access some services provided by Hospice of the Valleys.

- 8. Be recognised for research-based service development, acting as an expert resource and training centre in specialist palliative care**

PARTIALLY ACHIEVED

Hospice of the Valleys has increased the number of palliative care training courses that have been made available to other healthcare professional. These have been delivered both in person and online. We have participated in a number of national and international research studies. Our reviews of current service provision have been rooted in best practice and current research, though this work need to be ongoing.

- 9. Function as a "community resource", well known and actively supported throughout Blaenau Gwent; recognised for a professional approach in all clinical and non-clinical aspects of the service and recognised as being fully supportive of patients, families, staff and volunteers.**

PARTIALLY ACHIEVED:

This is a hard metric to measure. Our referral numbers go up year on year and when compared to data in the recent Nuffield/Hospice UK report on hospice palliative care provision, our number of self-referrals is significantly higher than the average. It could be argued that this level of self-referral is an indication of the trust and awareness the local population have in our services.

Income from fundraising activities continues to increase, even during the periods of lockdown. Also, donations and income generated by our shops has increased throughout the last 5 years, excluding periods when shops were shut during lockdown periods. This reflects the ongoing support we receive from local communities.

Staff at all levels have been invited onto a number of external work groups, steering groups and boards to help determine and deliver better outcomes for local residents.

Our services and our colleagues have been selected to win a number of significant local, national and international awards over the period of the current strategy.

THE HOSPICE OF THE VALLEYS

- 10. Build strong partnerships with Aneurin Bevan University Health Board and other health and social care organisations; working to develop integrated models of hospice palliative and end-of-life care that reflect national priorities and best practice, achieving recognition for the “added value” offered by independent hospices.**

ACHIEVED (but ongoing):

Staff have Honorary Contracts with the health board and are able to follow patients into hospital, we have an Advanced Nurse Practitioner based within the local community hospital, Ysbyty Aneurin Bevan.

We have been involved in new funded projects with the health board. We were part of a consortium which delivered Flexible Dementia Respite care across Gwent. As highlighted above we are now in the second year of the Hospital Admittance Avoidance Project (HAAP) supporting local residents to stay at home rather than be admitted to hospital. During the initial period of the pandemic, we received funding from Welsh Government to offer bereavement services to all residents of Blaenau Gwent and Merthyr Tydfil. This was to help with the psychological issues around people dying without relatives around them during lock-downs, and to help prevent more serious long-term trauma from the experience.

We continue to work with multiple local authorities in delivering palliative care training to social care workers.

Plans for Future Periods

Staff, trustees, patients, families and external stakeholders have been involved in developing a new 3-year strategy for the hospice.

This work builds on our strengths but recognises the need to adapt to growing demand for our services and a patient cohort with more complex needs. It also recognises the need to integrate better with the wider health and social care community to ensure the best outcomes for the families we work with.

The headings below are our key strategic goals. These are overarching but have a number of key deliverables underneath to ensure that the goals can be achieved.

We will give an update on our progress with the Year 1 objectives in next year’s accounts.

1. Provide holistic palliative care expertise in places where people are cared for: at home, in hospitals and in care homes.
2. Make joined up care a reality.
3. Empower patients and carers to have greater choice and control over the things that are important to them.
4. Provide our staff, other healthcare professionals and carers with high-quality training.
5. Use evidence-based decision making to embed a system of continuous learning and improvement.
6. Deliver a sustainable business model to ensure we are effective in meeting the demands on our services.
7. Engage in research into palliative care.

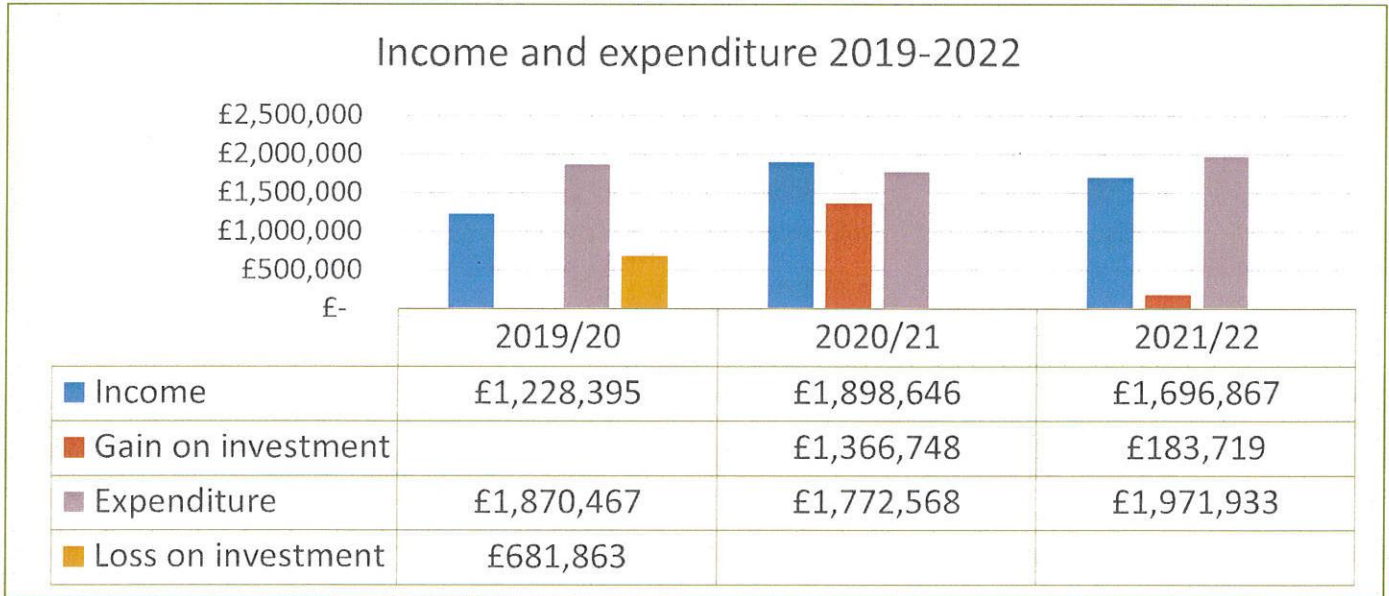
Miss Susan Kent MBE
Chairman

THE HOSPICE OF THE VALLEYS

Financial Review

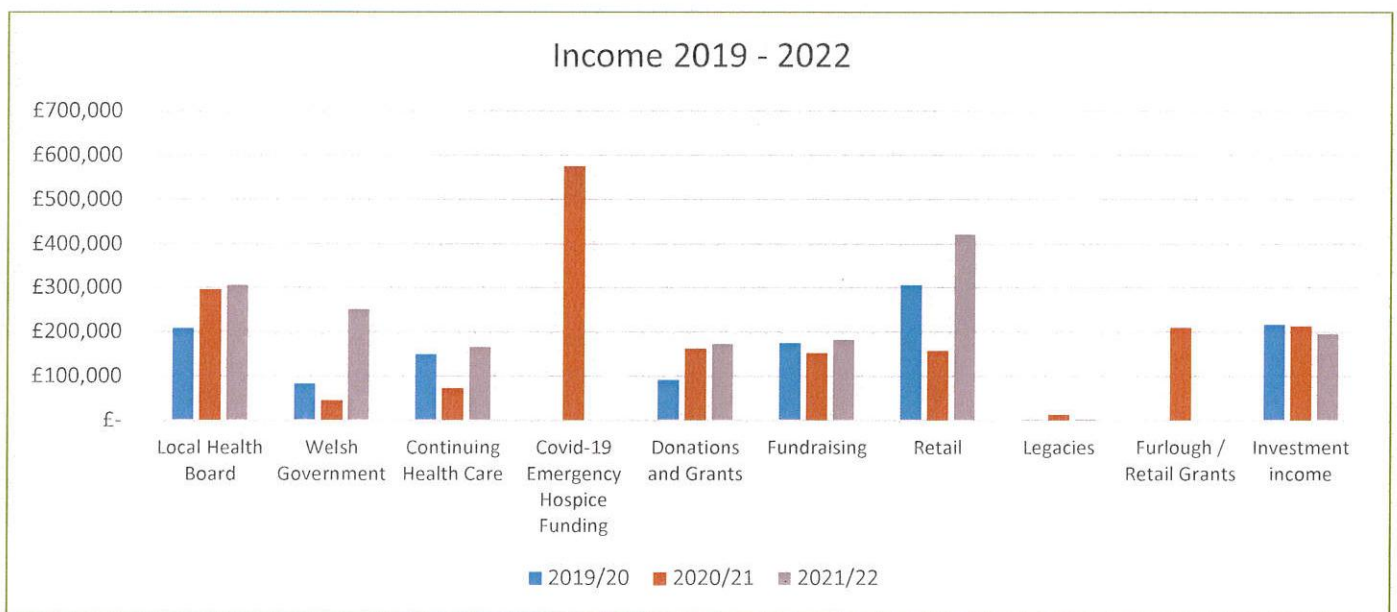
The year began surrounded by much uncertainty, as the world started to emerge from the Covid era. The hospice had benefitted from additional one-off funding made available to the charity of nearly £800k in the previous year, but government support for business and public services was now set to wind down considerably. This funding had been a lifeline to cover the cost of maintaining essential front line hospice services and the loss of retail and other direct Income Generation activities during the lockdown periods. The investment also continued to recover from the effects of the pandemic and showed only a modest drop in overall value by the end of the year.

Income and expenditure



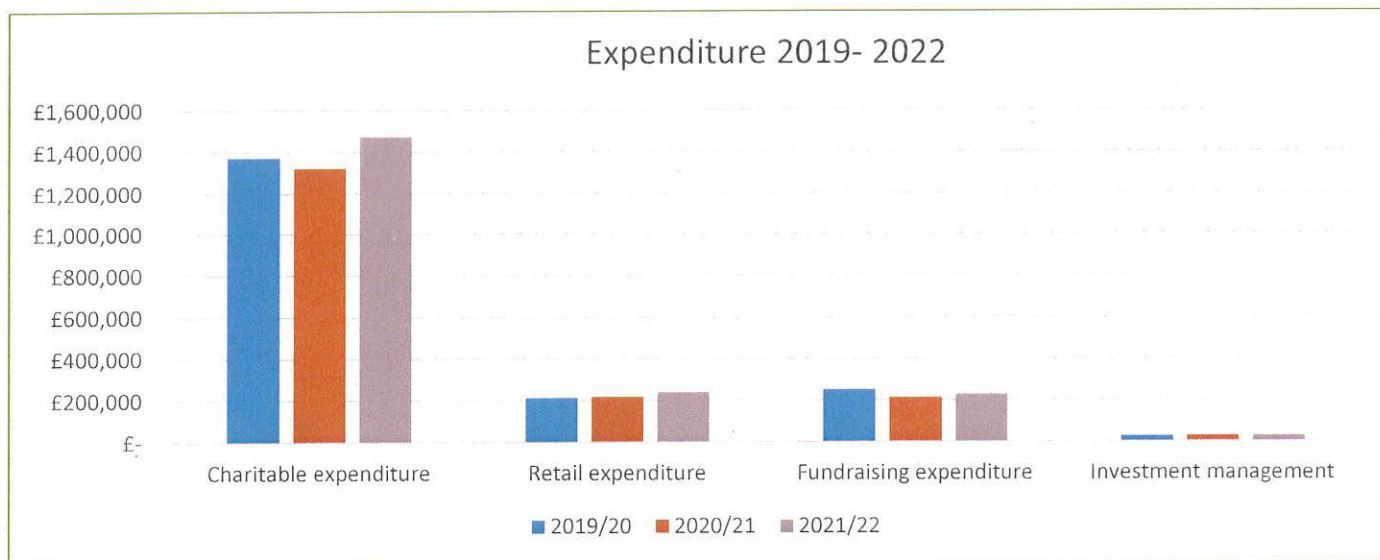
Income in 2020/21 was £670,251 higher than the previous year largely due to the one-off grants awarded in relation to Covid. The full reopening of our retail outlets and opportunities for staging income generating events, as well as a reemphasis on newly funded service delivery, helped the hospice to maintain a good level of income throughout the year – these activities are set to continue and develop in 2022/23 and beyond.

A summary of income received over the last three years:



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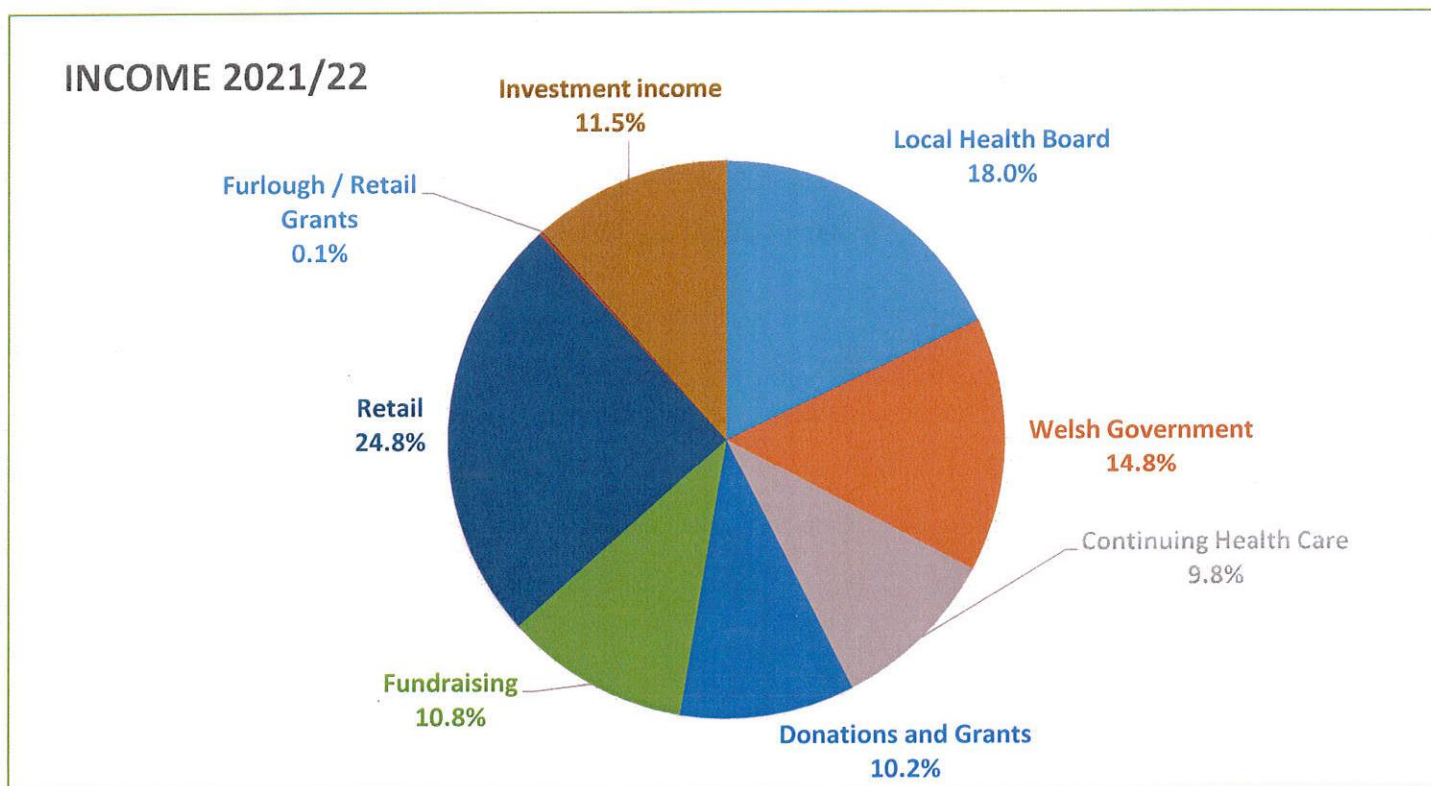
By far the greatest expenditure has been on delivering Hospice Care to the population of Blaenau Gwent and in 2021/22 we spent £1.475m (2020/21: £1.320m) which has accounted for 75% of our expenditure (2020/21: 75%).



Demand on our service continues to grow, and costs will continue to increase against a backdrop of market, political and government forces that affect both the ability of the hospice to secure targeted government / public funding and also navigate the uncertainty around raising income from its local communities. The new three-year strategy 2022-25 is designed to address such concerns.

After transfers between funds, unrestricted reserves now stand at £379,153 restricted reserves at £7,109,960.

Principal Funding Sources

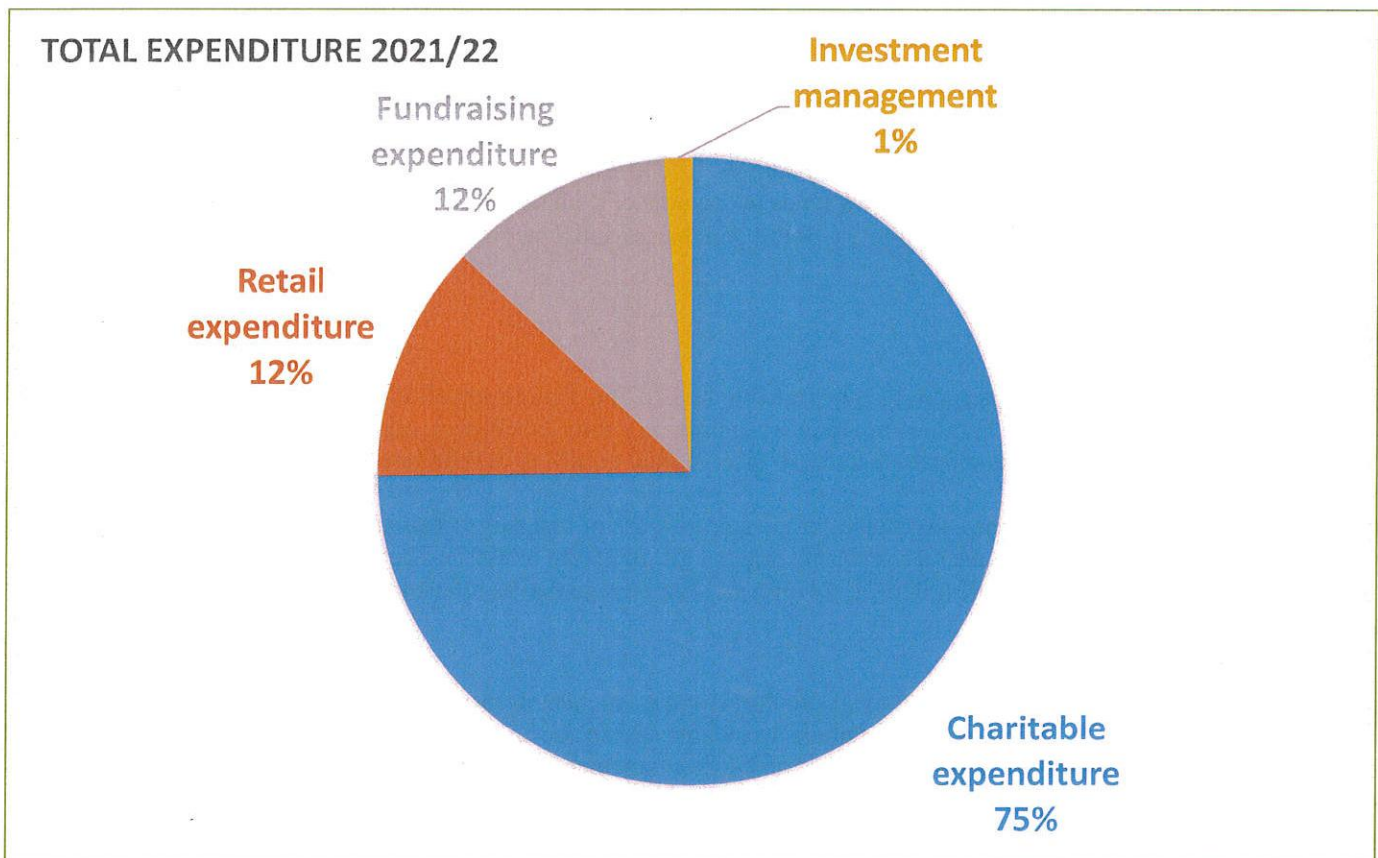


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The principal funding sources for the last 3 financial years can be seen below:

Income split	2019/20	2020/21	2021/22
Local Health Board	207796	295765	305,003
Welsh Government	82595	45404	250,511
Continuing Health Care	148908	73042	165,516
Covid-19 Emergency Hospice Funding		575721	
Donations and Grants	91168	162896	172,556
Fundraising	173890	152258	182,434
Retail	304852	157359	421,261
Legacies	2700	14000	3,500
Furlough / Retail Grants		209278	909
Investment income	216486	212923	195,177
Total	1,228,395	1,898,646	1,696,867

Income generation contributed to 58% of total income (2020/21: 47.8%). This includes Legacies at 0.2% (2020/21: 0.7%) and Investment Income of 12% (2020/21: 11.2%). Local Health Board, Welsh Government and Continuing Health Care services income contribute towards 42% (2020/21: 52.1%) of total income.



£1,474,651 relates to Charitable activities and is analysed further in note 7 to the accounts.

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Reserves Policy

Hospice of the Valleys provides palliative care to the population of Blaenau Gwent. It is a core service provider on behalf of the Aneurin Bevan University Health Board and delivers the only Community Specialist Palliative care service in the borough. By any standards, the provision of health care is an expensive business and the Hospice is not immune from the high costs associated with employing specialist healthcare professionals to deliver the service.

The demographics of the borough of Blaenau Gwent are such that it is widely recognised as being one of the poorest areas in Wales and the UK. This can be measured in terms of income, unemployment rates, home and car ownership and morbidity rates. In considering the need for reserves the Hospice takes the position that its clinical service is essential to this population. Sufficient funds should be available to ensure continued delivery of this service for between 9- and 12-months during periods when volatile income falls below predicted levels.

Normally a reserve of six months would be considered acceptable for a charity. However, the essential nature and high cost of our service to the population, together with possible difficulties fundraising locally in such a deprived area, indicate a responsibility to extend our capacity beyond a six-month period.

Reserves Statement

Reserves will be maintained at levels sufficient to maintain services for between 9 and 12 months in accordance with the following procedure:

- The Head of Finance will present a financial report in accordance with the Hospice financial reporting policy at each Trustees meeting. Reports will include income and expenditure forecasts and financial risk assessments and the impact of these on the level of reserves.
- At each Trustees meeting the level of reserves will be reviewed in accordance with the above, taking into account and changes in service, income and costs incurred by the organisation.
- In the event of a surplus in reserve funds, the Chief Executive and Head of Finance will decide to move funds as appropriate in order to maximise interest from any surplus. The level of surplus will be reported to the Board of Trustees who will arrange for the disposal of the surplus funds in accordance with the objects of the Hospice.
- A deficit in reserve funds will be reported to the Board of Trustees and a recovery plan will be presented by the Chief Executive for discussion.

Required Level of Reserves

In 2022/23 the level of unrestricted expenditure is expected to be £2.25m. This covers all functions of the Hospice including the Clinical Service, Administration and Fundraising. In order to provide a fully functioning organisation, assuming that no income is received for twelve months, it is anticipated that a cash reserve fund equalling expenditure each year is maintained.

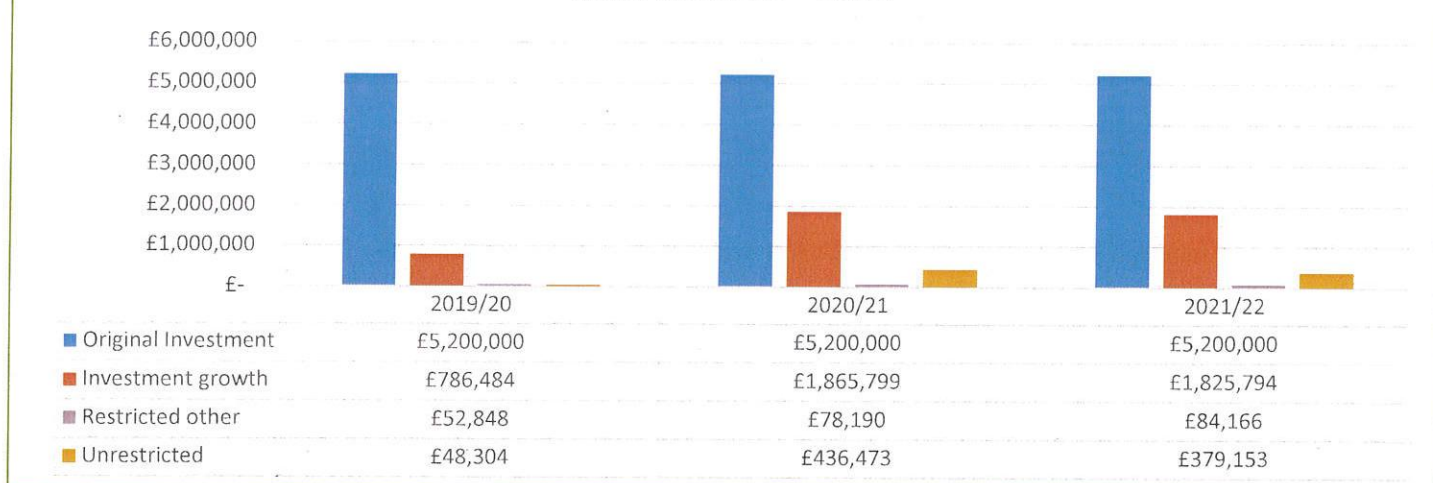
However, our investment portfolio was constructed for the sole purpose of realising a regular cash income to help meet the running costs of the Hospice. (This is the reason for the original gift of £5.2m in 2007). The cash withdrawn from our investment portfolio in 2022 was £390K (2020/21: £475K) and can be regarded as robust and within the parameters of our reserves policy.

A cash-flow contingency fund is also required to ensure the Hospice can meet its monthly obligations in terms of wages, pensions and PAYE should any short-term interruptions to income streams occur. A two month contingency fund would be sufficient to give Hospice managers time to investigate and correct any income problems. A two-month contingency fund would need to be £380K.

It is difficult to imagine under what circumstances the organisation would be required to close down. However, should this occur there would be financial obligations that would need to be honoured such as statutory redundancy pay and creditors due. It is anticipated that winding-up costs will amount to a minimum £152K of statutory redundancy pay and creditors obligations to the Hospice of £148K.

THE HOSPICE OF THE VALLEYS

Reserves 2019 - 2022



The Hospice manages creditors efficiently and strives to pay all invoices before the due date, especially for local suppliers. This means that the amount of cash owing is maintained at the lowest possible level. Most day-to-day invoices are for “hundreds” rather than “thousands” of pounds. At the year end, trade creditors due within 12 months amounted to £68K.

The Board of Trustees considers the Hospice Finances at its Bi-monthly meetings which include an updated Forecast to the end of the Financial Year, an updated cashflow and risk management. The Head of Finance prepares a 12 month rolling forecast to allow the board of trustees to consider the main risks to the charity and to allow adequate time to plan for the future of the hospice.

At the end of March 2022 cash reserves stood at £425,821.

The requirement of 9 months running costs of £1.69m and the “cash-flow” contingency reserve of £380K (£2.07m in total), means there is a cash reserves deficit of £1.65m.

However, our investment manager advises that the entire portfolio could possibly be liquidated within two weeks with a total value as at 31st March 2022 of £7,025,794. More immediately, the Treasury stocks, with a value of £567,258, could be realised in 24 hours. All of these are of course subject to the market state, but under normal circumstances the above can be taken as a good guide.

Investment Powers and Policy

Under the memorandum and articles of association, the Charity has the power to invest monies not immediately required for its purpose in or upon such investments, securities, or property as may be thought fit. It is the policy of the Hospice to obtain maximum earnings from interest rates whilst maintaining a suitable level of liquidity of funds that will enable it to comply with the reserves policy. The Hospice will comply with this by holding cash accounts with no more than 12 months access to funds. Longer-term investments will not meet the needs of the organisation.

The Hospice has a moderate risk investment strategy with the aim of generating an attractive income to support the patients and carers of the Hospice and to grow the capital above inflation to protect the purchasing power of the savings over the longer term. If urgent funds were required from the portfolio there is currently £567,258 in cash and secure government bonds, capital which could be returned to the Hospice within 1 day.

Performance

For the financial year to 31st March 2022, the below highlights the performance data for the Charity.

Value as at 31st March 2022: **£7,025,794**

THE HOSPICE OF THE VALLEYS

	Portfolio	MSCI Income Index	FTSE All Share
1 year	4.46%	6.08%	13.03%
3 years	23.21%	17.98%	16.79%
5 years	33.91%	27.74%	25.77%

All performance figures are quoted net of fees.

Market Commentary

We moved into the financial year beginning 1st April 2021 with plenty of uncertainties at the forefront of investors' minds. COVID pandemic worries had caused global markets to collapse; the FTSE 100 had previously fallen 34.6% from peak to trough. The diversification of the portfolio, through asset class, geography and sector, combined with the high-quality nature of the businesses we invest in meant the maximum drawdown of the portfolio was 6.47%.

Whilst concern continued to surround COVID, the financial soundness of businesses was quickly reinforced by central bank liquidity, when COVID was thought to be over the market reacted by selling off shares in companies which had been deemed beneficiaries of lockdowns which pushed markets lower at the start of the calendar year. There had been concern over dividend payment, indeed some companies did stop or cut their payments, but these have in the most part been restored. The invasion of Ukraine in February was the unexpected shock for the markets and is now the main concern.

The invasion of the Ukraine caused a significant increase in the price of power, which is linked to the gas price, gas which was being supplied by Russia to continental Europe, the price of oil also nearly doubled. The continuing embargo on Russia will continue to affect power prices. Whilst the war continues, we expect the market to remain volatile with inflation remaining higher for longer and the possibility of further interest rate rises.

Looking to the next 12 months, the emphasis will remain on the Ukraine war, Inflation, and interest rates. We remain positive on markets as many stocks do now seem to be significantly undervalued and with interest rates rising traditional short-term bonds are now providing redemption yields in the region of 6%. Unemployment is low; indeed, it seems from statistics that there are more jobs available than job seekers which will lead to increases in wages and increased incomes, which should help with fuel prices. We will keep a close eye on inflation; however, we believe it will remain high for some time before reverting to lower levels. We do have some protection from inflation in the portfolio through index linked government stocks.

Since 31st March the value of the portfolio has fallen, but the forecast income has risen to a yield of 3.82% which we believe means that the charity should be able to maintain its income flow from the investments.

Responsibilities of the Trustees

The trustees (who are also directors of Hospice of the Valley for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the management committee are required to prepare financial statements for each financial year. Under company law the management committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these statements, the committee are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

THE HOSPICE OF THE VALLEYS

The management committee is responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the charity's constitution. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

Insofar as each of the committee of management of the charity at the date of approval of this report is aware there is no such relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditors, Baker Knogle Chartered Accountants, were re-appointed as the charitable company's auditors during the year.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities FRS102, Charities Act 2011 and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the council of management on 15/11/22 and signed on their behalf by



(Signed)



(Signed)



(Name)

MATHEW MORRIS-PARKER

(Name)

THE HOSPICE OF THE VALLEYS

Independent Auditor's Report to the Trustees of Hospice of the Valleys

Opinion

We have audited the financial statements of The Hospice of the Valleys (the 'charitable company') for the year ended 31st March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

THE HOSPICE OF THE VALLEYS

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Officers and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related trade union legislation) and taxation regulation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the Officers.

THE HOSPICE OF THE VALLEYS

- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement on the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Huw Baker FCA (Senior Statutory Auditor)
for and on behalf of Baker Knoye Accountancy Limited
Chartered Accountants & Statutory Auditors
Orbit Business Centre
Merthyr Tydfil
CF48 1DL

Date:15/11/22.....

THE HOSPICE OF THE VALLEYS

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31st March 2022

	NOTES	UNRESTRICTED FUNDS £	RESTRICTED FUNDS £	DESIGNATED FUNDS £	31/03/22 TOTAL FUNDS £	31/03/21 TOTAL FUNDS £
Income from:						
Donations and Legacies	3	119,443	56,613	-	176,056	176,896
Charitable activities:						
Local Health Board service level agreement		-	295,765	-	295,765	295,765
Welsh Government Covid-19 Emergency Funding		213,014	37,497	-	250,511	45,404
Aneurin Bevan University Health Board		-	-	-	-	575,721
		-	174,754	-	174,754	73,042
Other trading activities:						
Shop and merchandise sales		421,261	-	-	421,261	157,359
Fundraising		180,089	2,345	-	182,434	152,258
Investments	4	33	195,144	-	195,177	212,923
Other	5	909	-	-	909	209,278
Total Income		<u>934,749</u>	<u>762,118</u>	<u>-</u>	<u>1,696,867</u>	<u>1,898,646</u>
Expenditure on:						
Raising funds:						
Shops and merchandise		240,561	-	-	240,561	216,149
Fundraising		225,416	2,438	-	227,854	210,980
Investment management	6	-	28,867	-	28,867	25,307
Charitable activities	7	<u>916,091</u>	<u>558,560</u>	<u>-</u>	<u>1,474,651</u>	<u>1,320,132</u>
Total Expenditure		<u>1,382,068</u>	<u>589,865</u>	<u>-</u>	<u>1,971,933</u>	<u>1,772,568</u>
Gains/ (losses) on investments		-	183,719	-	183,719	1,366,748
Net Income / (Expenditure)		(447,319)	172,253	-	(275,066)	126,078
Transfers between funds	19	390,000	(390,000)	-	-	-
Net movement in funds for the year		<u>(57,319)</u>	<u>(34,028)</u>	<u>-</u>	<u>(91,347)</u>	<u>1,492,826</u>
Reconciliation of funds:						
Balances brought forward		436,473	7,143,989	-	7,580,462	6,087,636
Balances carried forward at 31 st March 2022	20	<u>379,154</u>	<u>7,109,961</u>	<u>-</u>	<u>7,489,115</u>	<u>7,580,462</u>

The notes on pages 20 to 30 form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.

THE HOSPICE OF THE VALLEYS


Balance sheet

As at 31st March 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	10		127		1,656
Tangible assets	11		26,638		49,409
Investments	12		7,025,794		7,065,799
			<u>7,052,559</u>		<u>7,116,864</u>
Current assets					
Stocks	13	679		833	
Debtors	14	172,698		426,551	
Cash at bank and in hand		424,108		230,746	
Investment short term deposits		1,713		1,713	
		<u>599,198</u>		<u>659,843</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(162,642)		(194,455)	
		<u></u>		<u></u>	
Net Current assets			436,556		465,388
Total assets less current liabilities			<u>7,489,115</u>		<u>7,582,252</u>
Creditors: amounts falling due after more than one year	16		0		(1,790)
			<u></u>		<u></u>
Total net assets			<u>7,489,115</u>		<u>7,580,462</u>
The funds of the charity					
Unrestricted funds	17		379,154		436,473
Designated funds	18		-		-
Restricted funds	17		7,109,961		7,143,989
			<u>7,489,115</u>		<u>7,580,462</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the council of trustees on 15/11/22 and signed on its behalf by:


.....
(Signed)


.....
(Signed)

S V KEOT
.....
(Name)

MATHEW MORRIS-PARKER
.....
(Name)

Companies House Registered Number 2007005

THE HOSPICE OF THE VALLEYS

Statement of Cash Flows for the year ended 31st March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash (used in) operating activities	26	<u>(194,722)</u>	<u>(278,284)</u>
Cash flows from investing activities			
Interest from investments		33	49
Purchase of tangible/intangible fixed assets		(1,949)	(25,681)
Transfers from investments		390,000	475,000
Proceeds from disposal of fixed assets		-	-
Net cash provided by investing Activities		<u>388,084</u>	<u>449,368</u>
Increase (decrease) in cash and cash equivalents in the year		193,362	171,084
Cash and cash equivalents at the beginning of the year		<u>232,459</u>	<u>61,375</u>
Total cash and cash equivalents at the end of the year		<u><u>425,821</u></u>	<u><u>232,459</u></u>

THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31st March 2022

1. Charity information

The Hospice of the Valleys was incorporated in England and Wales as a company limited by guarantee with Companies House (registered number 2007005) and has no share capital. The Hospice of the Valleys was also registered with the Charity Commission (registered number 517724). The address of the registered office is Festival Drive, Ebbw Vale, Gwent, NP23 8XF.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The incorporated charity is registered in England and Wales.

Going concern

The charity produces annual budgets and forecasts which take into account expected changes in the funding streams and which demonstrate that the charity will be able to continue to operate. Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and are not aware of any material uncertainties regarding this assumption. On this basis, the trustees consider it appropriate to continue to prepare the financial statements on the going concern basis.

Income

All income is included in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The following specific policies are applied:

Voluntary Income

Voluntary income is income received by way of grants, gifts or donation. These are included in full on receipt unless it is subject to a condition when it is treated as deferred income.

Gifts in Kind

The value of services provided by volunteers is not quantified.

Deferred Income

Income or grants received in advance are held as deferred income and carried forward to future accounting periods to be released when the defined purpose of the work or project have been completed, approved or certified.

Investment Income

Investment income is included when receivable.

Trading Income

Trading income is recognised when earned.

THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31st March 2022

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Costs of Generating Funds

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops.

Charitable Expenditure

Charitable expenditure comprises those costs incurred by the charity in delivery of its activities and service for its beneficiaries. It includes the costs that can be attributed directly to those activities and those costs of an indirect nature necessary to support them.

Governance Costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Investments

Listed fixed asset investments are included at fair value (quoted market price in an active market). All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

Fund Accounting

- Restricted funds are to be used for specific purposes laid down by the donor. Expenditure which meets these criteria is allocated against the fund.
- Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes and are expendable at the discretion of the trustees in furtherance of the objects and administration of the charity.
- Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are charitable objects

Operating leases

Rentals applicable to operating leases where substantially all the risks and benefits of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised as transaction value and subsequently measured at their settlement value.

THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31st March 2022

Intangible fixed assets

Software has been capitalised and amortised over its useful life of 5 years.

Tangible fixed assets

Fixed assets (excluding investments) are included at cost less an appropriate provision for depreciation. Items donated or purchased for a cost of less than £500 are not capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office Equipment	-	20% on cost
IT Equipment	-	33% on cost
Clinical Equipment	-	20% on cost
Shop Fixtures	-	20% on cost
Motor Vehicles	-	25% on reducing balance
Day Centre	-	20% on cost
Property Improvements	-	Over period of lease

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Donated stock held at charity shops is not valued.

Interest receivable

Interest on funds held on deposit is included when receivable, and the amount can be measured reliably by the charity.

Cash at bank and in hand

Cash at bank and cash in hand includes current and short-term liquid deposit accounts with a short maturity.

Debtors

Trade, other debtors and accrued income are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for trade discounts.

Pensions

The charity contributes to a defined benefit scheme operated by the NHS. The charity also contributed to some employees' personal pension schemes.

The NHS scheme is a defined benefit scheme which is unfunded. This is a multi-employer pension scheme based on final pensionable pay, contributions being charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company. The charity accounts for the scheme as a defined contribution scheme and is not required to account for any of the assets or liabilities of the scheme in accordance with FRS102.

THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31st March 2022

3. Donations and Legacies

	Unrestricted	Restricted	Designated	2022 Total	2021 Total
	£	£	£	£	£
Charitable Trusts	34,500	38,329	-	72,829	86,652
Voluntary Donations	80,018	-	-	80,018	63,941
Miscellaneous	1,425	18,284	-	19,709	12,303
Legacies	3,500	-	-	3,500	14,000
	<u>119,443</u>	<u>56,613</u>	<u>-</u>	<u>176,056</u>	<u>176,896</u>

4. Investment Income

	2022 £	2021 £
Dividends – UK equities	195,144	185,701
Interest on cash deposits within investment portfolio	-	-
Interest on fixed interest securities	-	27,173
Interest on current accounts	33	49
	<u>195,177</u>	<u>212,923</u>

5. Other Income

	2022 £	2021 £
Furlough	909	48,782
Retail grants	-	160,496
	<u>909</u>	<u>209,278</u>

6. Investment Management Costs

	2022 £	2021 £
Investment management fees	28,867	25,307
	<u>28,867</u>	<u>25,307</u>

7. Analysis of Charitable Expenditure

	Notes	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Clinical salaries and pensions		489,732	540,995	1,030,727	759,135
Social worker salaries and expenses		1,645	-	1,645	168,860
Drugs and clinical supplies		175	-	175	47
Clinic rent		-	-	-	-
Motor expenses		18,791	-	18,791	17,920
Clinic food and other costs		274	1,330	1,604	421
Clinical equipment maintenance		1,032	630	1,662	1,411
Telephone costs		6,011	225	6,236	3,975
Training		6,375	1,500	7,875	5,943
Recruitment		-	-	-	140
Clinical equipment depreciation		37	-	37	37
Equipment loss on disposal		-	-	-	-
Miscellaneous		17	1,305	1,322	5,403
Support costs	7	309,545	9,931	319,476	281,021
Governance		82,456	2,645	85,101	75,821
		<u>916,090</u>	<u>558,561</u>	<u>1,474,651</u>	<u>1,320,133</u>

THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31st March 2022

8. Resources Expended – Allocation of Support Costs

Support costs allocated to activities	Basis of Allocation	Fund Raising £	Charitable Activities £	Governance £	2022 Total £	2021 Total £
General office and finance staff	Salary costs	44,572	181,614	48,378	274,564	250,331
Premises	Salary costs	12,650	51,543	13,730	77,923	73,848
Insurance	Salary costs	2,128	8,672	2,310	13,110	10,608
Communications	Salary costs	7,758	31,611	8,420	47,789	51,351
Legal & Professional	Salary costs	4,890	19,925	5,308	30,122	29,511
Depreciation	Salary costs	3,721	15,164	4,039	22,925	19,180
Motor Expenses	Salary costs	509	2,073	552	3,134	1,916
Miscellaneous	Salary costs	2,178	8,874	2,364	13,416	7,109
Irrecoverable vat	Salary costs	-	-	-	-	(21,375)
		<u>78,406</u>	<u>319,476</u>	<u>85,101</u>	<u>482,983</u>	<u>422,479</u>

9. Net income/(expenditure) for the year

This is stated after charging:

	2022 £	2021 £
Depreciation – owned assets	10,590	9,845
Depreciation – assets on finance	8,749	11,384
Amortisation	1,529	1,529
Auditor's remuneration	3,600	4,356
Accountants fees for other services	<u>777</u>	<u>4,984</u>

10. Intangible Fixed Assets

	Software £	Total £
COST:		
As at 1st April 2021	7,645	7,645
Additions	-	-
Disposals	-	-
As at 31st March 2022	<u>7,645</u>	<u>7,645</u>
DEPRECIATION		
As at 1st April 2021	5,989	5,989
Charge for year	1,529	1,529
Eliminated on disposal	-	-
As at 31st March 2022	<u>7,518</u>	<u>7,518</u>
NET BOOK VALUE		
As at 31 st March 2022	<u>127</u>	<u>127</u>
As at 31 st March 2021	<u>1,656</u>	<u>1,656</u>

THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31st March 2022

11. Tangible Fixed Assets

	Office Equipment	Clinical Equipment	Shop Fixtures & Fittings	Motor Vehicles	Day Centre	Property Improvements	Total
	£	£	£	£	£	£	£
COST:							
As at 1st April 2021	91,582	3,025	1,863	26,582	12,528	89,007	224,587
Additions	1,949	-	-	-	-	-	1,949
Disposals	(5,382)	-	-	-	-	-	(5,382)
As at 31st March 2022	88,149	3,025	1,863	26,582	12,528	89,007	221,154
DEPRECIATION							
As at 1st April 2021	52,673	3,025	1,863	16,196	12,414	89,007	175,178
Charge for year	21,395	-	-	2,596	37	-	24,028
Eliminated on disposal	(4,690)	-	-	-	-	-	(4,690)
As at 31st March 2022	69,378	3,025	1,863	18,792	12,451	89,007	194,516
NET BOOK VALUE							
As at 31 st March 2022	18,771	-	-	7,790	77	-	26,638
As at 31 st March 2021	38,909	-	-	10,386	114	-	49,409

The net book value at 31st March 2022 represents tangible fixed assets used for:

	Office Equipment	Clinical Equipment	Shop Fixtures & Fittings	Motor Vehicles	Day Centre	Property Improvements
	£	£	£	£	£	£
DIRECT CHARITABLE PURPOSES						
Community Services	5,353	-	-	3,052	77	-
Other Purposes	-	-	-	-	-	-
Administration office	13,418	-	-	-	-	-
Fundraising	-	-	-	4,738	-	-
	18,771	-	-	7,790	77	-

	2022 £	2021 £
12. Investments (including cash deposits)		
Market value as at 1 st April 2021	7,065,799	5,986,484
Disposals at carrying value (transfers to income)	(390,000)	(475,000)
Investment income	195,144	212,874
Investment costs charged and accrued	(28,867)	(25,307)
Net (loss)/gain on revaluation	182,041	1,293,053
Net (loss)/gain on disposals	1,677	73,695
Market value as at 31 st March 2022	7,025,794	7,065,799

THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31st March 2022

12. Investments (including cash deposits) continued

Investments at market value comprised of:

	2022	2021
	£	£
UK equities	2,705,412	2,577,905
Overseas equities	1,749,333	1,880,005
Cash deposits	30,084	262,912
UK fixed interest securities	1,415,426	1,483,697
Overseas fixed interest	-	-
Alternatives	1,123,982	858,013
	<u>7,024,237</u>	<u>7,062,532</u>
Income held in bank accounts	1,557	3,267
	<u>7,025,794</u>	<u>7,065,799</u>

13. Stocks

Merchandise for resale

2022	2021
£	£
<u>679</u>	<u>833</u>

14. Debtors: amounts falling due within one year

	2022	2021
	£	£
Trade Debtors	11,886	6,468
Other debtors	12,878	12,676
Prepayments and Accrued Income	147,934	407,407
	<u>172,698</u>	<u>426,551</u>

15. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	17,342	17,170
Accrued expenses	63,681	86,484
Deferred income	31,343	60,709
Other creditors	50,276	30,092
	<u>162,642</u>	<u>194,455</u>

Deferred income

	2022	2021
	£	£
Opening balance	60,709	7,500
Movement in period	(29,366)	53,209
	<u>31,343</u>	<u>60,709</u>

Deferred income represents income received from contributing agencies where the contribution was restricted to a fixed time period that extends beyond the current financial year. Income is deferred on the basis that the contribution was to the project as a whole, the time period of the project was fully disclosed to the contributing agencies and that time period is certain.

THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31st March 2022

Deferred income continued

The deferred income carried forward is analysed as follows:

	2022 £	2021 £
Aneurin Bevan University Health Board	3,755	26,357
Welsh Government	20,741	32,996
Other	6,847	1,356
	31,343	60,709

16. Creditors: amounts falling due after one year

	2022 £	2021 £
Other creditors	-	1,790
	-	1,790

17. Movements in funds

	At 01/04/21 £	Income (including gains) £	Expenditure (including losses) £	Net Transfers £	At 31/03/22 £
Restricted funds					
Robin Judah investment portfolio	7,065,799	378,862	(28,867)	(390,000)	7,025,794
Aneurin Bevan University Health Board	14,131	306,814	(302,852)	-	18,092
Welsh Government	-	37,497	(37,497)	-	-
Continuing Health Care	-	79,887	(78,887)	-	-
ABUHB – Hospice at Home	-	83,820	(83,820)	-	-
Other	64,059	58,958	(56,943)	-	66,074
	7,143,989	945,838	(589,866)	(390,000)	7,109,961
Unrestricted funds					
- general	436,473	934,749	(1,382,068)	390,000	379,154
- designated	-	-	-	-	-
	-	-	-	-	-

Purposes of restricted funds

Robin Judah Investment Portfolio

This donation was given with the restriction that it could not be used for capital projects but is available for general running costs.

Aneurin Bevan University Health Board (ABUHB)

This funding is given to support specialist nurses and related costs. Further funding is given to support a Hospital Admissions Avoidance Project (HAAP) along with education funding.

Welsh Government

This fund is for NHS matched pension contributions.

Continuing Health Care

This funding is given to support specialist nurses and related costs.

ABUHB – Hospice at Home

This funding is given to support specialist nurses to provide palliative care through the hospice at home service.

Other

These funds relate to donations given specifically for the purchase of specific items, such as equipment for patients, clinic rent and for the social workers to spend at their discretion to help the families of patients who may be suffering financial difficulties.

THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31st March 2022

18. Designated Funds

	2022	2021
	£	£
Balance brought forward 1 st April 2021	-	-
Interest received for year	-	-
Transferred to unrestricted funds	-	-
	<u>-</u>	<u>-</u>
Balance carried forward 31 st March 2022	<u>-</u>	<u>-</u>

The designated fund was released in the previous year. It previously consisted of an 'emergency' fund of £50,000 to be used in the event of the charity having to be wound up, and a new premises fund of £100,000.

19. Transfers Between Funds

The following transfer was made in the year:

- £390,000 is transferred from income and gains on the investment portfolio to be used for general running costs.

20. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds
	£	£	£	£
Intangible fixed assets	127	-	-	127
Tangible fixed assets	12,507	14,131	-	26,638
Investments	-	7,025,794	-	7,025,794
Current assets	502,374	96,824	-	599,198
Current liabilities	(135,854)	(26,788)	-	(162,642)
Liabilities over 1 year	-	-	-	-
Net assets at 31st March 2022	<u>379,154</u>	<u>7,109,961</u>	<u>-</u>	<u>7,489,115</u>

21. Analysis of staff costs and numbers, and the cost of key management personnel

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	1,330,721	1,203,863
Social security costs	126,674	108,473
Pension costs	99,898	89,636
	<u>1,557,293</u>	<u>1,401,972</u>

The charity considers that its key management personnel comprise the CEO, the Head of Finance and the Head of Clinical Services. The total employment benefits including employer pension contributions of the key management personnel were £156,204 (2021: £151,950).

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was 1 (2021: 1). This employees' emoluments fell within the £70,000 to £80,000 band.

THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31st March 2022

21. Analysis of staff costs and numbers, and the cost of key management personnel continued

The average monthly number of employees during the year was as follows:

	Total	
	2022	2021
Hospice services	32.20	27.00
Fundraising and publicity (including shops)	10.30	7.00
Management and administration of the charity	9.00	8.00
	<u>51.50</u>	<u>42.00</u>

22. Trustees' Remuneration

No members of the management committee received any remuneration or other payments during the year (2021: nil)

23. Related Party Transactions

Income of £306,813 (2021: £156,204) has been received from Aneurin Bevan University Health Board, of which, P Robson (director) is a Special Board Advisor. Transactions totalling £444 were enacted between the Hospice and Roseblade Media Ltd during the year, a trading company owned and run by Mr Matthew Morris-Parker (director), (2021: NIL).

	2022	2021
24. Capital Commitments	<u>Nil</u>	<u>Nil</u>
25. Contingent liabilities	<u>Nil</u>	<u>Nil</u>

26. Reconciliation of net movement in funds to net cashflow from operating activities

	2022	2021
	£	£
Net movement in income/ (expenditure)	(91,347)	1,492,826
Add back amortisation charge	1,529	1,529
Add back depreciation charge	24,029	21,228
Add back loss on disposal	691	452
(Gains)/losses on investments	(183,719)	(1,366,748)
Dividends and interest from investments	(195,176)	(212,923)
Investment charges accrued	28,867	25,307
Decrease (increase) in stocks	154	914
Decrease (increase) in debtors	253,853	(343,811)
Increase (decrease) in creditors	(33,603)	102,942
	<u>(194,722)</u>	<u>(278,284)</u>
Net cash used in operating activities	<u>(194,722)</u>	<u>(278,284)</u>
Analysis of cash and cash equivalents		
Net cash at the end of the year.	<u>425,821</u>	<u>232,459</u>

THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31st March 2022

27. Pension Costs

Net pension costs of £99,898 (2021 - £89,636) were charged to the Statement of Financial Activities during the year. Included in other creditors at 31 March 2022 was £7,020 (2021 - £8,230) in relation to the personal schemes.

28. Operating Lease Commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	74,160	81,243
Between two and five years	55,510	143,837
	<u>129,670</u>	<u>225,080</u>

29. Comparatives for Movement in Funds

	At 01/04/20	Income (including gains)	Expenditure (including losses)	Net Transfers	At 31/03/21
	£	£	£	£	£
Restricted funds					
Robin Judah investment portfolio	5,986,484	1,579,622	(25,307)	(475,000)	7,065,799
Aneurin Bevan University Health Board	17,500	228,339	(228,339)	-	14,131
Welsh Government	-	45,404	(45,404)	-	-
Continuing Health Care	-	56,648	(56,648)	-	-
ABUHB – Hospice at Home	-	83,820	(83,820)	-	-
Other	35,348	40,294	(11,583)	-	64,059
	<u>6,039,332</u>	<u>2,034,127</u>	<u>(454,470)</u>	<u>(475,000)</u>	<u>7,143,989</u>
Unrestricted funds					
- general	48,304	1,231,267	(1,318,098)	475,000	436,473
- designated	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Purposes of restricted funds

Robin Judah Investment Portfolio

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Aneurin Bevan University Health Board (ABUHB)

This funding is given to support specialist nurses and related costs. Further funding is given to support a Hospital Admissions Avoidance Project (HAAP) along with education funding.

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ABUHB – Hospice at Home

This funding is given to support specialist nurses to provide palliative care through the hospice at home service.

Other

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THE HOSPICE OF THE VALLEYS

30. Comparatives for the Statement of Financial Activities

	UNRESTRICTED FUNDS	RESTRICTED FUNDS	DESIGNATED FUNDS	31/03/21 TOTAL FUNDS
	£	£	£	£
Income from:				
Donations and Legacies	137,446	39,450	-	176,896
Charitable activities:				
Local Health Board service level agreement	-	295,765	-	295,765
Welsh Government Covid-19 Emergency Funding	-	45,404	-	45,404
Aneurin Bevan University Health Board	575,721	-	-	575,721
	-	73,042	-	73,042
Other trading activities:				
Shop and merchandise sales	157,359	-	-	157,359
Fundraising	151,414	844	-	152,258
Investments	49	212,874	-	212,923
Other	209,278	-	-	209,278
Total Income	<u>1,231,267</u>	<u>667,379</u>	<u>-</u>	<u>1,898,646</u>
Expenditure on:				
Raising funds:				
Shops and merchandise	216,149	-	-	216,149
Fundraising	209,191	1,789	-	210,980
Investment management	-	25,307	-	25,307
Charitable activities	<u>892,758</u>	<u>427,374</u>	<u>-</u>	<u>1,320,132</u>
Total Expenditure	<u>1,318,098</u>	<u>454,470</u>	<u>-</u>	<u>1,772,568</u>
Gains/ (losses) on investments	-	1,366,748	-	1,366,748
Net Income / (Expenditure)	(86,831)	1,579,657	-	1,492,826
Transfers between funds	475,000	(475,000)	-	-
Net movement in funds for the year	<u>388,169</u>	<u>1,104,657</u>	<u>-</u>	<u>1,492,826</u>
Reconciliation of funds:				
Balances brought forward	48,304	6,039,332	-	6,087,636
Balances carried forward at 31 st March 2021	<u>436,473</u>	<u>7,143,989</u>	<u>-</u>	<u>7,580,462</u>

The following pages do not form part of the statutory accounts of the charity

THE HOSPICE OF THE VALLEYS

Total Funds Income and Expenditure Account for the year ended 31st March 2022

	Unrestricted 2022 £	Restricted 2022 £	Unrestricted 2021 £	Restricted 2021 £
Income:				
Charitable trusts	34,500	38,329	55,612	31,040
Donations & legacies	83,518	-	77,941	-
NHS donations & grants	-	211,945	-	211,945
Sales of merchandise	121	-	93	-
Bank interest received	33	-	49	-
Investment income	-	195,144	-	212,873
Aneurin Bevan University Health Board	-	174,754	-	73,042
Events/community fundraising	180,089	2,345	151,414	844
ABUHB – Hospice at Home	-	83,820	-	83,820
Shop sales	421,139	-	157,266	-
Welsh Government	213,014	37,497	575,721	108,692
Furlough & Retail grants	909	-	209,278	-
Other	1,425	18,284	3,893	8,410
	<u>934,748</u>	<u>762,118</u>	<u>1,231,267</u>	<u>730,666</u>
Expenditure				
Charitable activities				
Clinical salaries	440,579	511,488	312,009	375,154
Clinical pensions	49,153	29,507	44,610	27,361
Social worker salaries	-	-	159,442	9,256
Social worker expenses	1,645	-	162	-
Drugs & clinical supplies	175	-	47	-
Clinic rent	-	-	-	-
Motor expenses	18,791	-	17,820	100
Clinic food & other costs	274	1,330	84	337
Clinical equipment maintenance	1,032	630	1,411	-
Doctors / nurses mobile phones	6,011	225	3,975	-
Training	6,375	1,500	4,103	1,840
Miscellaneous	17	1,305	1,939	3,464
Clinical equipment depreciation	37	-	36	-
Equipment loss on disposal	-	-	-	-
Recruitment	-	-	-	140
Support costs	309,545	9,931	273,365	7,656
	<u>833,634</u>	<u>555,916</u>	<u>819,003</u>	<u>425,308</u>

THE HOSPICE OF THE VALLEYS

Total Funds Income and Expenditure Account for the year ended 31st March 2022 continued

	Unrestricted 2022 £	Restricted 2022 £	Unrestricted 2021 £	Restricted 2021 £
Fundraising & Publicity				
Salaries	110,896	-	98,253	-
Pensions	-	-	7,975	-
Motor expenses	5,680	-	3,837	-
Printing & stationery	-	-	903	-
Training	2,176	-	1,829	-
Merchandise for resale	3,969	-	1,492	-
Fundraising expenses	16,568	-	27,775	-
Events	8,595	-	490	-
Shop rental & costs	91,930	-	92,657	-
Retail salaries	142,065	-	118,460	-
Investment management fees and charges	-	28,867	-	25,307
Telephone	2,527	-	1,887	-
Shop fittings & vehicle depreciation	2,596	-	3,540	-
Database costs	3,005	-	2,394	-
Support costs	75,969	2,437	63,848	1,789
Loss on disposal of motor vehicle	-	-	-	-
	465,976	31,304	425,340	27,096
Management & Admin / Governance				
Salaries	252,383	9,238	233,821	5,941
Pensions	12,944	-	10,569	-
Motor expenses	3,133	-	1,916	-
Telephone & postage	14,532	-	14,033	-
Printing & stationery	4,635	-	4,166	-
Insurance	13,110	-	10,607	-
Auditors remuneration	3,600	-	4,356	-
Accountants remuneration	776	-	4,984	-
Professional fees	9,704	-	3,542	-
Bank charges and interest	3,396	-	568	-
Miscellaneous	7,179	-	4,030	-
Office equipment depreciation	21,395	-	17,651	-
Property improvements depreciation	-	-	-	-
Software amortisation	1,529	-	1,529	-
Subscriptions	2,369	-	1,373	-
Rent and rates	69,086	-	66,296	-
IT expenses	20,778	5,775	25,044	5,569
Trade Team expenses	8,837	-	7,553	-
Office machine rental	2,069	-	2,538	-
Lease finance interest	473	-	1,139	-
Irrecoverable vat	-	-	(21,375)	-
Personnel services	16,041	-	16,629	-
	467,969	15,013	410,969	11,510
Allocation of support costs	(385,513)	(12,368)	(337,214)	(9,444)
	82,456	2,645	73,755	2,066
Transfer of funds	390,000	(390,000)	475,000	(475,000)
(Deficit)/ surplus of income over Expenditure	(57,320)	(217,747)	388,169	(198,803)