

EAST CHESHIRE HOSPICE
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Registered company number 01807691 (England and Wales)
Registered Charity number 515104

EAST CHESHIRE HOSPICE
REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
For the year ended 31 March 2019

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EAST CHESHIRE HOSPICE

LEGAL AND ADMINISTRATIVE INFORMATION
For the year ended 31 March 2019

| | |
|--|---|
| Registered Company Number | 01807691 (England and Wales) |
| Registered Charity Number | 515104 |
| Constitution | Company limited by guarantee |
| Principle and Registered Office | Millbank Drive Macclesfield Cheshire SK10 3DR |
| Auditors | Heywood Shepherd Chartered Accountants & Registered Auditors 1 Park Street Macclesfield Cheshire SK11 6SR |
| Bankers | Royal Bank of Scotland PLC 52 Chestergate Macclesfield Cheshire SK11 6BU |
| Investment Advisors | Quilter Cheviot One Kingsway London WC2B 6AN |

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The Trustees (who are also the directors of the charity for the purposes of the Companies Act 2006) who served during the year were:

Mr S W Spinks Chair (from Oct-18)
Mr R Barrow DL Chair (to Oct-18)
Mr P G Morrissey Vice Chair
Mr J Lovett Vice Chair
Dr J Beck
Mrs A Challinor
Dr L Hastings
Mr A C Kennedy
Mrs J Stephens
Dr A Wills

All trustees are members of the Company and have no beneficial interest in it. Unless indicated above, they were all trustees at the time that this Report and the attached Financial Statements were approved.

Patron: Charlie Lawson

President: Mr David Briggs K.St.J

Vice Presidents:

| | |
|------------------|------------------|
| Mr P Bianchi | Mr P E Jones |
| Mr N Bianchi | Mrs J C Legh |
| Mrs F Breerton | Rt Hon G Osborne |
| Mrs F Bruce MP | Mr D Pollock DL |
| Mrs J Clowes | Mr M H Rains |
| Mr H G Fielding | Mr R Raymond |
| Mrs C Hayward DL | Mr D Rutley MP |
| Mr S Hayward | Dr R Stead |
| Mrs J Hilditch | Lady A Winterton |
| Mr M Jones | Sir N Winterton |

Management Team:

| | |
|-----------------|---|
| Mr M Pyrah | Hospice Director (to Jul 2018) |
| Mrs K Johnston | Hospice Director (from Aug 2018) |
| | Income Generation & Operation Director (Jul 2018) |
| Dr D Alexander | Medical Director |
| Mrs R Allcock | Income Generation Director (Aug 2018) |
| Mrs S Dale | Clinical Director – Hospice @Home (Aug 2017) |
| Ms S Jones | Clinical Director – Hospice Services (Aug 2017) |
| Mrs S Seabourne | Finance Director |

2018/9 A Year in the life of East Cheshire Hospice

252

patients cared
for by the
nurses and
doctors on our
in-patient unit

898

Complementary
therapies given
to patients and
carers



357 Patients were referred to our
Hospice @Home service,
receiving our specialist care at home
where they felt most comfortable

1

328

people had
out-patient
appointments

466

sessions of
specialist child
bereavement
support

83%

of our costs
were covered
by fundraising,
donations and
legacies

984

Commemorative
ceramic sunflowers
were specially
made, displayed and sold as
part of our 30th anniversary
celebrations



1,855

sessions in
our Sunflower
Wellbeing
Centre

9,000

Children from
local schools
and nurseries dressed up as
snowmen and took part in our
fundraising Snowman Sprint



£1.2m

Of our
essential
funding came from gifts
made to ECH in wills

430

Dogs took part
in our new
Tough Woofers
event

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In submitting their Annual Report together with the consolidated financial statements of East Cheshire Hospice and its subsidiary for the year ended 31 March 2019, the Trustees have ensured that all financial statements comply with the Charity Act 2011, the Companies Act 2006, and Accounting & Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2015).

CHARITABLE PURPOSE

The objects and principal activities of East Cheshire Hospice are to provide palliative care and support to people with life limiting illnesses within the communities of Buxton, Congleton, Handforth, High Legh, High Peak, Knutsford, Macclesfield, Poynton, Wilmslow and the 72 villages and hamlets in between, serving a total population of c.240,000. It does this by:

- operating a residential hospice
- operating a wellbeing centre
- operating outpatient clinics
- providing out of hours palliative care to patients in their own home
- providing social, psychological and spiritual support services
- research into, and training of staff involved in delivering, end of life care.

Our mission is to provide the highest quality care and support to the people we serve. Our values and principles can be summarised by the acronym CARE – compassion, association, resourcefulness and excellence.

- **Compassion.** We ensure we put our patients, their families and carers at the centre of everything we do, and we always act with care and compassion
- **Association.** We work in partnership and collaboration, forming productive alliances in the interests of our patients
- **Resourcefulness.** We make the best use of our resources, ensuring that income from our communities is directly channelled into the care and support for patients and their families
- **Excellence.** We will act with integrity and treat patients, families, colleagues, collaborators and supporters with respect at all times. We will invest in learning and development for our staff and volunteers – striving for excellence in all we do.

Our Vision

Within the next decade, East Cheshire Hospice will be at the centre of a whole-system solution delivering or facilitating high quality, seamless, co-ordinated end of life care to people affected by life limiting illness ensuring they are prepared, supported and cared for in a place of their choosing and with the minimum of stress and anxiety.

ACTIVITIES

East Cheshire Hospice provides services free of charge to adults with life-limiting illnesses within its boundaries, and supportive care for their families and carers. Our comprehensive range of services are available without restriction to all groups in the communities we serve.

These include:

A 15-bed purpose-built inpatient unit, appropriately staffed by a consultant-led team of highly trained clinical palliative care specialists across all grades and supported by a 30-strong team of volunteers. Admissions into the unit can be facilitated at any time and are not restricted to normal working hours.

Sunflower Wellbeing Centre Day Hospice, open five days per week providing nurse-led clinics and therapeutic interventions for all disease types and conditions, as well as disease specific support such as for Dementia and MND. The Centre relies on a team of volunteers who transport patients to and from the facility and provide one-to-one support of attending patients.

Other services offered by the Centre include:

- Living Well programme
- Breathlessness clinic
- Specialist Dementia services, including carers' support, Community Dementia Companions service and 'Singing with Dementia' sessions
- Friends & family support and information programme
- Creative and craft activities
- One-to-one and group counselling sessions
- Complementary therapies for patients and carers
- Guidance and advice on advanced care planning

Outpatient facility operating five days-a-week providing private appointments for patients needing access to:

- Physiotherapy
- Occupational Health
- Lymphoedema service
- Art psychotherapy
- Complementary therapies
- Consultations with Advanced Nurse Practitioners

Family Support Services meeting the practical, social, physiological and spiritual needs of the people who are important to our patients. These include:

- 24-hour helpline staffed by clinical palliative care specialists
- Friends & family support and information programme
- Complementary therapies
- Pre- and post-bereavement counselling for adults
- Specialist childhood bereavement service
- Spiritual support led by a chaplain supported by volunteers from all faiths and none
- Access to an in-reach social work assessor

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Hospice @Home Service Launched in 2017, the Hospice @Home service provides out-of-hours specialist palliative care to patients in their own homes. The service works in close collaboration with existing community services such as District Nurses to prevent unnecessary hospital admissions and to enable more people to spend their final days in the place where they feel most at home.

Education and learning continues to be central to the provision of our high-quality services that meet the needs of our community. We partner with local and national training service providers to ensure staff and volunteer teams have the skills they need to deliver great care.

Volunteers play a vital role in connecting us to our local community, bringing their skills, talents and insights to our work. Our 600+ volunteers from all age groups, demographics and communities across our area are trained and given safe spaces to make their valuable contribution to the exceptional care delivered by East Cheshire Hospice.

Addressing our local need

Our part of north east Cheshire has a population of 240,000 living in largely rural locations with a higher than the national average of older people aged 65+. Pockets of extreme deprivation are masked by neighbouring affluent areas resulting in low levels of inward investment. The area does not attract major NHS per capita funding, therefore the grant awarded to East Cheshire Hospice by local CCGs equates to 17% of our annual running costs, the remaining 83% raised from voluntary contributions from the communities we serve and, to a much lesser extent, our commercial activity. The disparate and rural nature of our area of benefit restricts communication channels and makes awareness-raising of our services more challenging.

Our services are adapting to meet an increased need for the largely neglected patient group of elderly frail and those living with or caring for someone with dementia. More patients are accessing multiple treatments for longer across the disease spectrum and that means they are presenting to our services with more complex needs and co-morbidities.

ACHIEVEMENTS AND PERFORMANCE

2018/19 was the final year of the Hospice's 5-year strategy to modernise the organisation, with significant progress being made in all areas of the plan. The year has seen notable changes within the Hospice structure, including the appointment of a new Chair of Trustees and Hospice Director. The year also marked the 30th anniversary of the opening of the Hospice in 1988 and a number of special events were held during the year to celebrate this milestone.

In terms of progress against the annual plan, the year has been highly productive - of the 16 key projects in the annual delivery plan, 75% were successfully completed in year with the remaining 25% due to finish by the end of June 2019:

1. **Clinical Staff Development Project.** We have significantly improved support and training opportunities for our clinical team, including launching a set of core and developmental competencies for staff, and introducing several development roles to allow team members to develop their careers within the Hospice. We have also reviewed and restructured the leadership of our inpatient unit and Sunflower Wellbeing Centre to better meet the needs of our patients and have adapted our doctors' team structure to ensure adequate out-of-hours cover.
2. **Advanced Care Planning Project.** We released one of our Advanced Nurse Practitioners (ANP) to become an advanced care planning facilitator. Throughout the year, this ANP has worked alongside the End of Life Partnership to roll out Advanced Care Planning education across East Cheshire.
3. **Continuing Health Care (CHC) funding / Use of Inpatient Unit review.** We have partly completed this project, by creating and implementing processes to monitor our activity and occupancy. This information will be recorded in future, to allow us to determine whether we need to change our use of inpatient beds and our admission criteria moving forwards.
4. **Hospice @Home review.** Using the Plan-Do-Study-Act cycle, we carried out regular internal reviews of our Hospice @Home service throughout the year in line with our organisation-wide continuous improvement practice. This work led to changes in our referral criteria, operating procedures and collaboration with statutory agencies. In addition, University of Liverpool has carried out an academic Touchpoint study with Hospice @Home patients and families, and their recommendations have been actioned.
5. **Major Donor / Angels project.** Our Major Donor / Angel programme took as its focus the Hospice @Home service which has proven highly successful, with income secured for the service in future years due to a 5-year pledge donation model. The programme, led by an Ambassador group of volunteers, is well-established and focused on the stewardship of existing Angels and the recruitment of new ones for future service developments.
6. **Payroll system review.** We have transformed our payroll systems and processes and have embedded these with our cloud-based rota management system. This means that our payroll system can now better manage the increasing complexity of our team's flexible work patterns, terms and conditions.

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7. **30th Anniversary programme.** We successfully delivered an ambitious a range of 30th anniversary celebrations, achieving our income targets despite a challenging economic environment and increasing engagement with donors and families across our community. Specific 30th anniversary initiatives such as the sale and display of commemorative ceramic sunflowers, were successful both in terms of fundraising and engagement.
8. **Review of Therapies provision.** We have reviewed our outpatient therapy provision and have made a number of changes in order to increase efficiency whilst continuing to meet the increasing need for such services. These changes were necessary to provide a solid foundation upon which we could outreach our complementary therapies into the community.
9. **Transform Bereavement Provision.** Over the course of the year, we developed and enhanced our bereavement service to enable us to offer support to any family member of patients touched by all Hospice services, including Hospice @Home. Our three pillars of psychological support (art therapy, adult and child bereavement) are now working collaboratively to provide pre and post bereavement support.
10. **Lottery / Regular Giving development project.** We carried out qualitative and quantitative market research to gauge public perception of our charity lottery, and will be relaunching the lottery in July 2019 based on the findings.
11. **Funeral Provision.** We considered the potential for ECH to integrate more with local funeral provision; however following extensive research we decided not to progress this initiative further.
12. **New Senior Management Team (SMT) development plan.** We carried out a series of training and development activities to ensure our new SMT had the capacity and capability to deliver. Structural changes took place to allow SMT the time and opportunity for strategic development.
13. **Kitchen / Facilities development plan.** A review of our current facilities has been carried out, establishing that some refurbishment work is needed to ensure the Hospice is fit for purpose. Architectural plans have been developed and reviewed, and a structural engineer, quantity surveyor and electrical engineer have been instructed to cost the project. A steering committee has been established to lead on the refurbishment work, and this is one of our key projects for 2019/20.
14. **EMIS Web collaboration and integration.** We have worked with EMIS (our electronic patient management system) to produce codes and templates which will allow us to collate data from the OACC collaborative suit of outcome measures. This will allow us to record and measure our patient care against a set of established outcome criteria. ECH has been used as a test site for EMIS developers and acts as a demonstration site for other hospices wishing to transfer to this system. ECH's Information Technology Manager is the Chair of the EMIS Hospice User Group.

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15. **Development of Outcome Assessment Complexity Collaborative (OACC) Measures and Integrated Palliative Care Outcome Scale (IPOS).** We have partly completed the integration of OACC measures. IPOS templates were developed and staff training carried out, and the collection of patient iPOS data began on 1st April 2019. Moving forward, this will allow us to assess and measure our patient care in a standardised way, leading to more timely service development.

16. **Launch e-prescribing and upgrade EMIS.** We investigated and discussed e-prescribing with EMIS representation, but progress has been hampered by a delay in EMIS software development. In the meantime, ECH has joined Hospice UK's clinical benchmarking programme to compare and learn from medication incidents with other hospices.

FINANCIAL REVIEW

The Statement of Financial Activities is set out on page 20, and a summary of the financial results is given below. The group achieved a deficit on net operating activity of £185,166, compared to a net surplus of £780,876 last year. The overall result, after allowing for gains and losses on the market value of our investment fund through movements on the stock market, is a deficit of £14,351, compared to a gain of £770,127 last year. The Trustees were anticipating a small deficit this year, following above average legacy income last year. The Hospice finished the year in a strong financial position and the Board is pleased with the progress made against the ambitious service plans and development of income generation capability.

Income generation activity

2018 marked the 30th anniversary of the opening of East Cheshire Hospice and we carried out a number of special events and initiatives to celebrate this milestone. Despite a challenging and uncertain economic climate, our 2018/19 income generation activities continued to deliver strong results, ending the year within £50,000 of the original budget.

Key activities within the three key income streams were as follows.

Commercial

- Our charity shops had some challenges in the early part of the year, however the team have worked hard to ensure we ended the year ahead of budget in a difficult operating environment. We have plans to expand our retail offering over the next three years, as we recognise that our shops increase local engagement as well as providing an independent income.
- The ECH lottery had a boost in numbers this year with a successful telemarketing campaign to re-engage with existing lapsed players, and market research was commissioned to ensure that the lottery continues to meet the needs and aspirations of players.

Relationships

- Our major donor activity continues to be highly successful, with the development of our Angel/Ambassador programme. A number of high-profile major donor events were held throughout the year and income matched the ambitious budget.

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- We have continued to strengthen our support for volunteer led events, particularly the Christmas Tree Collection and the Art Fair. We have enabled both of these key fundraising events to continue to effectively and appropriately manage their data within GDPR guidelines.
- We have increased our activity within the local business community, continuing to develop our corporate 500 Club and launching a new initiative, the Corporate Challenge which brings teams together in a competition to raise as much money as possible. This has led to a continued increase in numbers of corporate supporters.

Engagement

- Event engagement and income was exceptionally strong this year, thanks in part to the launch of a new event for dog owners, Tough Woofer. Our events calendar has been reviewed to ensure we provide a good mix of events at a range of different stages in their life cycles.
- Our Challenge Series has proven to be a key source of income growth this year, combining income from challenges organised by the Hospice with those tackled by individuals in the community. Our first overseas Challenge, the Grand Canyon trek, was highly successful and has led to plans for more overseas events in future.
- We have launched a new website this year, allowing us to create a more customer focused experience as well as a refreshed look and feel. We have reviewed and improved our online forms to make digital interaction as straightforward as possible.

Fundraising complaints

During the year we received two complaints about our fundraising activities – one about the content of a letter which the receiver felt was inappropriate and one regarding some donated tickets and confusion about their use. Both complaints were due to miscommunications and were quickly resolved to the satisfaction of the complainants. Action has been taken to ensure similar situations will not arise again.

As a fundraising team, we abide by the Fundraising Regulator's Code of Practice and their Fundraising Promise. We strive to always act ethically and responsibly, using best practice when communicating with our supporters, and we strictly adhere to GDPR ruling in relation to data usage.

Funding from statutory bodies

Our core funding towards running costs (excluding drugs funding) from local Clinical Commissioning Groups (CCG's) continues to remain static at £474,000 for the eighth year in a row, resulting in a decrease in funding in real terms, and requiring us to find additional monies from income generation activity. We continue to work closely with our CCG to develop services.

Investment Objectives and Returns

The Trustees have the power to invest in such assets as they see fit. The Hospice maintains a mixture of liquid funds and longer-term stock market investments which act as both an income stream and reserves. Income flows can be hard to predict, and so cash balances over and above those required for immediate operational purposes are invested in a mix of shorter- and longer- term deposits to allow for possible funding gaps. The investment portfolio is managed by Quilter Cheviot on a discretionary basis, but with no investment in tobacco related companies. Their performance is reviewed quarterly against the ARC benchmark, comprising 50% of the Balanced Index and 50% of the Steady Growth Index. Despite markets remaining turbulent in the year to 31 March 2019, the total return on the portfolio was 8.4%, ending the year 1.9% ahead of the benchmark.

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Expenditure

Total costs increased by £551,000, a 13% increase on the prior year. Cost increases were expected as 2018/19 was the first full operational year of the Hospice @Home service, having started in October 2017. However, additional cost pressure on salaries was also felt during the year, as the NHS agreed a three year pay deal with the Royal College of Nursing in the Summer of 2018, called Agenda for Change (AfC). In order to retain and recruit clinical staff, the Hospice endeavours to match AfC salaries, resulting in pay increases this year in excess of the expected budget.

Risk Management

The Board reviews detailed assessments of the risks to which the Charity may be exposed. Comprehensive governance arrangements are in place to oversee risk management in clinical and supporting services to ensure that standards are maintained in line with good practice, legislation and accreditation. The processes in place are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:-

- identification and management of risks, using an Organisational Risk Register;
- insurance covers for the major financial risks which are reviewed annually;
- a three-year rolling strategic plan and an annual delivery plan with budgets and key performance indicator targets, all approved by the trustees;
- regular consideration by trustees of financial results in comparison with budgets and prior year performance;
- regular review of financial and non-financial performance indicators and bench-marking reports;
- appropriate levels of delegation of authority and segregation of duties.

The key risk identified by the Trustees is financial sustainability, given the reliance on voluntary income, which is needed to support 83% of the Hospice's annual costs. The Trustees are following a strategy of investing in the Income Generation and marketing team, alongside service delivery, in order to generate an increased donor base.

Reserves

At 31 March 2019, the Hospice held total reserves of £9,462,844, a decrease of £14,351 over the previous year. Of this total, £3,801,174 relates to restricted reserves, with the main restriction being over the Hospice building. Should the Hospice cease to operate, or the building be sold, all proceeds must be returned to the Secretary of State for Health.

Remaining restricted funds relate primarily to the Hospice @Home service – this is being pump-primed by a 'Hospice Angels' campaign which started in 2016, 12 months before the service became operational. Angels have pledged to provide support for 5 years whilst a sustainable income stream is built up. The service is also match-funded by the Hospice via a designated Hospice @Home fund. We continue to look for ways to expand and develop the service with the support of our Angels.

During the year the Trustees reviewed the reserves policy and set a range within which it was deemed prudent to hold free reserves. This is based on a minimum level required to support the Hospice through two fallow income generation years and sufficient funds to wind up the Hospice in the event of a forced closure, and a maximum level of 12 months' operating costs. Reserves in excess of the minimum are held to support service development and to meet exceptional circumstances.

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The Hospice's 'free reserves' are those unrestricted funds that are freely available to spend on any of the charity's purposes, and excludes all fixed assets, restricted and designated funds. Free reserves at 31 March 2019 are £4,542,067 compared to £4,258,861 last year. This is equivalent to 11.1 months running costs (2018: 11.8 months). The Trustees are satisfied with the current level of reserves given the uncertainty of funding streams for the new service over the next few years.

PLANS FOR FUTURE PERIODS

Given the current socio-political and economic uncertainty, the Board have decided to produce a three-year rolling strategy for the next period of Hospice development.

Strategic Priority 2019-2022

To provide and expand the availability of high quality, compassionate and co-ordinated palliative and end of life care that gives patients and families real choice and control and meets the future needs of the communities we serve.

Key change programmes for 2019/22

1. Dementia Services

Through listening to what our community needs, we will increase the availability and effectiveness of our dementia services by introducing an Admiral Nurse into our Sunflower Wellbeing Centre.

2. Hospice @Home

Building on the success of this innovative service introduced in 2017, we seek to increase access to meet the growing demand for end of life care in patient's usual place of residence, through mix of rapid response support and planned care delivered by well-trained, supportive and compassionate teams.

3. Sunflower Wellbeing Centre

Under revised and updated leadership framework we will continue to develop nurse- and healthcare professional-led programmes which alleviate symptoms, impart the skills to self-manage conditions and improve the quality of life for patients, their carers and families.

4. In Patient Care

Working with our colleagues across the health economy, we will adapt our inpatient services to meet the prevailing need, ensuring that anyone who meets our criteria for referral and whose circumstance would be improved by our care can access it when required.

5. Partnerships

We will strengthen existing and create new partnerships with statutory agencies, Cheshire hospices, companies and other third sector organisations to ensure the best value can be obtained from our collective resources and support End of Life Community Care Co-ordination. We will seek to establish ECH as a lead partner in the proposed Eastern Cheshire End of Life Care Hub.

6. Facilities Re-development

We will develop plans to refurbish and extend our existing building to meet growing demand for services and community engagement, these plans will include:

- upgrading our 30-year-old kitchen facility to meet the needs of more patients, volunteers and staff and give us capacity to cater for additional community groups, projects and training courses as well as multi-disciplinary healthcare meetings
- create a bespoke spiritual space that is a sanctuary for those of all faiths or none
- expanding our office space to accommodate a co-ordination centre for all end of life specialist and social care for our area
- raising the additional funds required to complete the work without jeopardising existing services or the future financial stability of the charity.

Key projects for 2019/20

This set of in-year projects are designed to focus on specific aspects of the Change Programmes, making significant progress towards our strategic priority 2019-22.

- **Adapt services to support personalisation agenda**
Review and scope changes to our service provision to meet with changes in the Department of Health and Social Care's personalisation agenda
- **End of Life Community Care Co-ordination**
Establish our role within the community-led programme, ostensibly through the development of Hospice @Home, progressing to a lead contractor
- **Immersive Reality; technology impact study on patient wellbeing**
An academic study into the impact of Immersive Reality on pain and anxiety management in end of life patients
- **Development of Building Refurbishment Plans**
A project to improve our facilities to make them more accessible to community groups and learning providers. In May 2019 we were fortunate to receive a donation of £1,000,000 from Proseal Limited to support our refurbishment plans.
- **Patient Transport**
Review of new ambulance service to assist timely and efficient patient transfers
- **Workforce Development**
Create an effective programme to develop and grow volunteers and staff to ensure we have the right people in the right place with the right skills to meet the future needs of patients and families in our community
- **Digital Accounting Compliance**
Purchase and integrate a new accounting system that is fit for purpose now and in the future

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- **Patient and Community Engagement (PaCE)**
Design and implement a formal engagement programme to facilitate feedback from patients and families, colleagues & collaborators and the wider community
- **Legacy Programme**
Developing and sustaining legacy income through an impact awareness campaign and knowledge sharing
- **Income Generation sustainability strategy**
Develop a prudent income generation strategy that includes retail, lottery and fundraising to grow income in line with costs

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Hospice is a charitable company limited by guarantee, incorporated on 10 April 1984 and registered as a charity on 25th April 1984. The company is established under a Memorandum of Association which sets out the objects and powers and is governed under its Articles of Association, as updated in March 2015.

The Nominations and Remuneration Committee is responsible for monitoring and evaluating the trustee recruitment, selection and appraisal process. The governing document requires between 5 and 14 trustees. Board vacancies are identified through regular skills audits and vacancies are filled through a formal recruitment process. The Hospice serves the needs of the broad community so the Board endeavours to reflect this in the make-up of its membership, whilst meeting the need to have an appropriate mix of professional skills necessary for the day-to-day and longer term running of the Charity. Once co-opted to the Board, new trustees undertake an induction programme, supported by an existing member of the Board, and are supplied with a comprehensive information pack detailing the responsibilities of their trusteeship. Trustees are elected to serve for a term of three years, but can seek re-election for two further periods, with a total permitted maximum of nine consecutive years.

The Board meets at least four times a year and is responsible, through its committees, for setting and monitoring progress against the Three Year Rolling Strategic Plan, Annual Delivery Plans and Key Performance Indicators. These meetings are attended by the Hospice Director and members of the management team, who are responsible for the day-to-day running of Hospice services.

The committees meet quarterly and are attended by designated Trustees and management team. The committees make proposals to the Board and have approved terms of reference with specific assigned responsibilities. The committees are:

- The Patient Care & Clinical Governance Committee which is responsible for monitoring patient care/services, partnership and clinical governance.
- Finance and Resources Committee which is responsible for monitoring and compliance of all matters financial, donor engagement, partnerships, use of technology and all other resources inclusive of human resources.

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- The Nominations and Remuneration Committee which is responsible for the appointment of Trustees, Vice Presidents and other key roles. It is also responsible for agreeing the remuneration of management posts as they become vacant. This is done by reference to other similar roles in the local job market and other hospices.

The Finance and Resources Committee reviews all staff pay on an annual basis to determine whether an inflation pay award can be given. The management team is included in this review and receive any increase on the same basis as all other staff.

The Hospice has a close relationship with The End of Life Partnership, a local charity consisting of 28 partner organisations (including ECH) involved in end of life care issues across Cheshire. It also promotes the delivery of high-quality palliative care education in order to ensure all communities are prepared for end of life care. The Hospice does not have any control over this charity, however, along with other hospices within Cheshire, it does provide an annual grant towards its core costs. The Hospice is also a shareholder in the Hospice Quality Partnership, a commercial company set up by hospices nationally to provide more efficient and better-quality procurement in the sector through collective bulk purchasing power.

The Hospice's wholly owned subsidiary, ECH Trading Limited, was established to run commercial retail activities. It gift aids its profits to the Hospice and all related party transactions are provided in the notes to these accounts.

RESPONSIBILITIES OF THE BOARD OF TRUSTEES

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

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the Board should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The Board is responsible for maintaining proper accounting records which 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. The Board is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EAST CHESHIRE HOSPICE
REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
For the year ended 31 March 2019

In so far as the trustees are aware

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

Heywood Shepherd were re-appointed as the charitable company's auditors and have expressed their willingness to continue in that capacity.

Approved by the Board on 5 September 2019 and signed on its behalf by:

Mr S W Spinks

EAST CHESHIRE HOSPICE
INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF EAST CHESHIRE HOSPICE
For the year ended 31 March 2019

Opinion

We have audited the financial statements of East Cheshire Hospice (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheet and the consolidated statement of cashflows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2019, and of the group's 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; 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 group and parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report 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.

EAST CHESHIRE HOSPICE
INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF EAST CHESHIRE HOSPICE
For the year ended 31 March 2019

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- adequate records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, 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 group's and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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

EAST CHESHIRE HOSPICE
INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF EAST CHESHIRE HOSPICE
For the year ended 31 March 2019

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.

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 Independent Auditor's Report.

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 auditors' 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.

Mr N A Kennington (Senior Statutory Auditor)
For and on behalf of Heywood Shepherd,
Chartered Accountants
1 Park Street
Macclesfield
Cheshire
SK11 6SR

Dated: 5 September 2019

EAST CHESHIRE HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating and Income & Expenditure account)
As at 31 March 2019

| | Notes | 2019 | | | 2018 | | |
|--|-------|-------------------------|-----------------------|------------------|-------------------------|-----------------------|------------------|
| | | Unrestricted Funds £ | Restricted Funds £ | Total £ | Unrestricted Funds £ | Restricted Funds £ | Total £ |
| Income from: | | | | | | | |
| Donations and legacies | 2 | 3,005,516 | 375,294 | 3,380,810 | 3,493,774 | 430,732 | 3,924,506 |
| Charitable activities | 3 | 23,605 | - | 23,605 | 40,152 | - | 40,152 |
| Other trading activities | 4 | 1,189,447 | 15,614 | 1,205,061 | 1,065,816 | - | 1,065,816 |
| Investments | 5 | 94,769 | - | 94,769 | 88,866 | - | 88,866 |
| Total | | 4,313,337 | 390,908 | 4,704,245 | 4,688,608 | 430,732 | 5,119,340 |
| Expenditure on: | | | | | | | |
| Raising funds | 7 | 1,111,258 | 146 | 1,111,404 | 971,300 | 196 | 971,496 |
| Charitable activity | 8 | | | | | | |
| Inpatient services | | 2,324,565 | 3,566 | 2,328,131 | 2,163,767 | 19,163 | 2,182,930 |
| Day-care and outpatients | | 586,467 | 4,755 | 591,222 | 509,018 | 22,133 | 531,151 |
| Hospice at Home | | 140,539 | 287,025 | 427,564 | 92,827 | 187,700 | 280,527 |
| Family support services | | 263,170 | 62,135 | 325,305 | 244,571 | 40,284 | 284,855 |
| Outreach and education | | 105,771 | 14 | 105,785 | 87,255 | 250 | 87,505 |
| Total | | 4,531,770 | 357,641 | 4,889,411 | 4,068,738 | 269,726 | 4,338,464 |
| Net gains/(losses) on investments | 12 | 170,815 | - | 170,815 | (10,749) | - | (10,749) |
| Net income/(expenditure) | | (47,618) | 33,267 | (14,351) | 609,121 | 161,006 | 770,127 |
| Transfers between funds | 22 | 144,994 | (144,994) | - | 107,704 | (107,704) | - |
| Net income/(expenditure) for the year | | 97,376 | (111,727) | (14,351) | 716,825 | 53,302 | 770,127 |
| Total funds brought forward | | 5,564,294 | 3,912,901 | 9,477,195 | 4,847,469 | 3,859,599 | 8,707,068 |
| Total funds carried forward | 22 | 5,661,670 | 3,801,174 | 9,462,844 | 5,564,294 | 3,912,901 | 9,477,195 |

The statement of financial activities includes all gains and losses recognised in the year and all amounts derive from continuing activities. The transfer between funds is in respect of movements in fixed assets.

The notes on pages 23 to 34 form part of these accounts.

EAST CHESHIRE HOSPICE

BALANCE SHEET
For the year ended 31 March 2019

| | Notes | Group | | Charity | |
|---|-------|------------------|-----------|------------------|-----------|
| | | 2019 £ | 2018 £ | 2019 £ | 2018 £ |
| Fixed Assets | | | | | |
| Tangible assets | 11 | 3,849,748 | 3,938,656 | 3,849,748 | 3,938,656 |
| Investments | 12 | 2,993,711 | 2,844,008 | 2,993,713 | 2,844,010 |
| | | 6,843,459 | 6,782,664 | 6,843,461 | 6,782,666 |
| Current Assets | | | | | |
| Stock | 14 | 818 | 8,468 | - | - |
| Debtors | 15 | 163,763 | 311,248 | 163,763 | 317,791 |
| Cash at bank and in hand | | 2,917,341 | 2,743,218 | 2,917,339 | 2,743,216 |
| | | 3,081,922 | 3,062,934 | 3,081,102 | 3,061,007 |
| Creditors: amounts falling due within one year | 16 | 462,537 | 368,403 | 462,537 | 366,478 |
| Net Current Assets | | 2,619,385 | 2,694,531 | 2,618,565 | 2,694,529 |
| Total Assets Less Current Liabilities | | 9,462,844 | 9,477,195 | 9,462,026 | 9,477,195 |
| Creditors: amounts falling due after more than one year | | - | - | - | - |
| Net Assets | | 9,462,844 | 9,477,195 | 9,462,026 | 9,477,195 |
| Restricted funds | | 3,801,174 | 3,912,901 | 3,801,174 | 3,912,901 |
| Unrestricted - general funds | | 4,371,360 | 4,204,165 | 4,370,542 | 4,204,165 |
| - designated funds | | 809,686 | 1,006,566 | 809,686 | 1,006,566 |
| - revaluation reserve | | 480,624 | 353,563 | 480,624 | 353,563 |
| Total Funds | 22 | 9,462,844 | 9,477,195 | 9,462,026 | 9,477,195 |

These financial statements of East Cheshire Hospice (charity number 515104; company number 01807691) were approved by the Board of Trustees on 5 September 2019 and signed on its behalf by:

Mr S W Spinks

Mr A Kennedy

The notes on pages 23 to 34 form part of these accounts

EAST CHESHIRE HOSPICE

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2019

| | 2019 | 2018 |
|--|------------------|------------------|
| | £ | £ |
| Cash flows from operating activities: | | |
| Net cash provided by / (used in) operating activities | <u>142,079</u> | <u>811,538</u> |
| Cash flow from investing activities: | | |
| Dividends and interest from investments | 94,769 | 88,866 |
| Purchase of property, plant and equipment | (79,105) | (22,357) |
| Proceeds from the sale of investments | 367,537 | 367,809 |
| Purchase of investments | (351,157) | (864,651) |
| Net cash provided by / (used in) investing activities | <u>32,044</u> | <u>(430,333)</u> |
| Change in cash and cash equivalents in the year | 174,123 | 381,205 |
| Cash and cash equivalents b/f | <u>2,743,218</u> | <u>2,362,013</u> |
| Cash and cash equivalents c/f | <u>2,917,341</u> | <u>2,743,218</u> |

Notes to the consolidated cash flow statement

Reconciliation of net income / (expenditure) to net cash flow from operating activities:

| | 2019 | 2018 |
|---|----------------|----------------|
| | £ | £ |
| Net income / (expenditure) for the reporting period | (14,351) | 770,127 |
| Depreciation charge | 156,553 | 169,571 |
| (Gains) / losses on investments | (170,815) | 10,749 |
| Investment income | (94,769) | (88,866) |
| Loss / (profit) on sale of fixed assets | 11,460 | 700 |
| Decrease/(increase) in stock | 7,650 | (1,279) |
| (Increase)/decrease in debtors | 147,485 | (142,655) |
| (Decrease)/increase in creditors | 94,134 | 85,577 |
| Investment commissions | 4,732 | 7,614 |
| Net cash provided by / (used in) operating activities | <u>142,079</u> | <u>811,538</u> |

Analysis of cash and cash equivalents:

| | 2019 | 2018 |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Cash in hand | 1,517,341 | 1,643,215 |
| Notice deposits | <u>1,400,000</u> | <u>1,100,003</u> |
| Total cash and cash equivalents | <u>2,917,341</u> | <u>2,743,218</u> |

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS For the year ended 31 March 2019

1. Summary of Significant Accounting Policies

General Information and Basis of Preparation

The financial statements of the charitable company, which is a public benefit entity under FRS102, have been prepared in accordance with 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 (Charities SORP FRS102 – effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value as modified by the revaluation of certain assets.

Basis of consolidation

These accounts consolidate the results of the charity and its wholly owned trading subsidiary, ECH Trading Limited, on a line by line basis. A separate Statement of Financial Activities has not been presented for the charity as allowed by Section 408 of the Companies Act 2006. The net deficit of the Hospice for the year is £14,351 (2018: net income £770,127).

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds are donations which the donor has specified are to be used for specific projects. The aim and use of each significant restricted fund is set out in the notes to these accounts.

Incoming Resources and Debtors

All income is recognised in the statement of financial activities when the Hospice has entitlement to the funds, receipt is probable, and the amount can be reliably measured. The following policies are applied to income:

- Voluntary income is included in full when receivable. Grant income is recognised when the charity becomes unconditionally entitled to it.
- Legacies are included at the earlier of when the Executors notify the Hospice that a distribution will be made, or when a distribution is received. Where legacies have been notified to the Hospice, but the recognition criteria have not been met, the legacy is treated as a contingent asset and disclosed if material.
- Gifts in kind and donated services are recognised within incoming resources and expenditure at an estimate of open market value. The value of services provided by volunteers is not included in the accounts.
- Items donated for resale through the charity's shops are included as incoming resources when they are sold.
- Investment income is included when receivable.
- Lottery income received in advance is deferred and released in the week that the draw takes place.

Debtors are recognised at settlement value.

Resources Expended and Creditors

Expenditure is recognised when there is a legal or constructive obligation to a third party, payment is probable, and the amount is reliably measurable. Irrecoverable VAT is allocated as a support cost. Expenditure is classified under the following activity headings:

- Costs of raising funds are those associated with fundraising activity, including the charity's shops and lottery operations and their associated support costs.
- Charitable expenditure is incurred in the delivery of the charity's activities and services for its beneficiaries. It includes costs that can be directly apportioned and indirect associated support costs.

Grants payable are made to third parties in the furtherance of the Hospice's charitable objectives. Grants are accounted for when the conditions for payment have been met by the recipient, or in full when no conditions have been set.

EAST CHESHIRE HOSPICE
NOTES TO THE ACCOUNTS
For the year ended 31 March 2019

1. Accounting Policies (continued)

Creditors are recognised where it is probable that a reliably estimated present obligation will result in a payment to a third party. Creditors are recognised at their settlement value.

Support costs

Support costs are those back-office functions that are necessary for the effective running of the Hospice but are not directly involved in providing care. They are allocated between the cost of raising funds and charitable activities as set out in the notes to these accounts.

Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £1,000 are capitalised at cost and depreciated over their estimated useful life as follows:

- | | |
|---------------------------------|---|
| • Buildings | 2 - 10% p.a. reducing balance depending on the asset nature |
| • Plant, equipment and vehicles | 20% p.a. reducing balance basis |
| • Computer hardware | 33.3% reducing balance basis |

The land at Millbank Drive is included at market value at the time of donation from the Health Authority.

Investments

Listed investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Stock

Stocks are valued at the lower of cost and net realisable value. Items donated for resale are not included in the financial statements until they are sold.

Leases

Rental payable under operating leases are charged to the statement of financial activities in equal annual instalments over the period of the lease.

Pensions

The Hospice contributes to the NHS pension scheme as allowed under direction of the Secretary of State in England and Wales. This is an unfunded, defined benefit pension scheme and it is not possible to identify the assets and liabilities which are attributable to the Hospice. The scheme is therefore accounted for as defined contribution scheme. The Hospice also operates 2 further defined contribution pension schemes. The assets of all schemes are held separately from those of the Hospice in independently administered funds. Contributions payable for the year are charged to the SOFA in line with the activity carried out by the relevant pension scheme member.

Taxation

The Hospice is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going Concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of Hospice reserves to be able to continue as a going concern.

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS
For the year ended 31 March 2019

2. Donations and legacies:

| | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Unrestricted Funds £ | Restricted Funds £ | Total 2018 £ |
|--------------------|----------------------------|--------------------------|--------------------|----------------------------|--------------------------|--------------------|
| Donations | 651,505 | 334,056 | 985,561 | 627,885 | 338,313 | 966,198 |
| Legacies | 1,223,946 | - | 1,223,946 | 1,681,570 | - | 1,681,570 |
| Community activity | 474,127 | 2,813 | 476,940 | 491,556 | 37,985 | 529,541 |
| Grants | 655,938 | 38,425 | 694,363 | 692,763 | 54,434 | 747,197 |
| | 3,005,516 | 375,294 | 3,380,810 | 3,493,774 | 430,732 | 3,924,506 |

Grants receivable were:

| | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Unrestricted Funds £ | Restricted Funds £ | Total 2018 £ |
|----------------------------------|----------------------------|--------------------------|--------------------|----------------------------|--------------------------|--------------------|
| NHS Eastern Cheshire CCG - care | 433,067 | - | 433,067 | 433,067 | - | 433,067 |
| NHS Eastern Cheshire CCG - drugs | 108,000 | - | 108,000 | 106,000 | - | 106,000 |
| NHS Eastern Cheshire CCG - other | 52,480 | - | 52,480 | 50,000 | - | 50,000 |
| NHS Derbyshire CCG - care | 40,481 | - | 40,481 | 40,481 | - | 40,481 |
| Big Lottery Fund Grant | - | - | - | - | 28,709 | 28,709 |
| Other grants and trusts | 21,910 | 38,425 | 60,335 | 63,215 | 25,725 | 88,940 |
| | 655,938 | 38,425 | 694,363 | 692,763 | 54,434 | 747,197 |

The Hospice's main grant agreements are with NHS Eastern Cheshire Clinical Commissioning Group (CCG), which makes a contribution to the provision of 24-hour specialist palliative care for patients and families in the East Cheshire region and for drugs. The Hospice has a similar arrangement with NHS Derbyshire CCG as the boundaries of the Hospice's service area extend to parts of Derbyshire.

3. Charitable activities:

| | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Unrestricted Funds £ | Restricted Funds £ | Total 2018 £ |
|--|----------------------------|--------------------------|--------------------|----------------------------|--------------------------|--------------------|
| Local government and NHS service contracts | 1,911 | - | 1,911 | 16,056 | - | 16,056 |
| Other ancillary income | 21,694 | - | 21,694 | 24,096 | - | 24,096 |
| | 23,605 | - | 23,605 | 40,152 | - | 40,152 |

4. Other trading activities:

| | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Unrestricted Funds £ | Restricted Funds £ | Total 2018 £ |
|------------------------|----------------------------|--------------------------|--------------------|----------------------------|--------------------------|--------------------|
| Events and sponsorship | 468,883 | 15,614 | 484,497 | 335,139 | - | 335,139 |
| Lottery income | 352,565 | - | 352,565 | 380,454 | - | 380,454 |
| Shops | 367,999 | - | 367,999 | 350,223 | - | 350,223 |
| | 1,189,447 | 15,614 | 1,205,061 | 1,065,816 | - | 1,065,816 |

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS
For the year ended 31 March 2019

5. Investment income:

| | Unrestricted Funds | Restricted Funds | Total 2019 | Unrestricted Funds | Restricted Funds | Total 2018 |
|--------------------|-----------------------|---------------------|---------------|-----------------------|---------------------|---------------|
| | £ | £ | £ | £ | £ | £ |
| Dividends received | 83,734 | - | 83,734 | 81,485 | - | 81,485 |
| Interest received | 11,035 | - | 11,035 | 7,381 | - | 7,381 |
| | 94,769 | - | 94,769 | 88,866 | - | 88,866 |

6. Net incoming resources for the year (group and charity):

| | 2019 | 2018 |
|--|--------------|--------------|
| | £ | £ |
| This is stated after charging: | | |
| Depreciation (owned assets) | 156,553 | 169,571 |
| Auditor's remuneration (excluding VAT) | 7,500 | 7,200 |
| Non audit fees (excluding VAT) | 4,415 | 4,135 |

7. Raising funds:

| | Unrestricted Funds | Restricted Funds | Total 2019 | Unrestricted Funds | Restricted Funds | Total 2018 |
|--------------------------------|-----------------------|---------------------|------------------|-----------------------|---------------------|----------------|
| | £ | £ | £ | £ | £ | £ |
| Donations and legacies: | | | | | | |
| Staff costs | 210,032 | - | 210,032 | 203,949 | - | 203,949 |
| Events and fundraising costs | 167,425 | 105 | 167,530 | 164,526 | - | 164,526 |
| | 377,457 | 105 | 377,562 | 368,475 | - | 368,475 |
| Other trading activity: | | | | | | |
| Staff costs | 259,292 | - | 259,292 | 254,147 | - | 254,147 |
| Events and fundraising costs | 175,595 | - | 175,595 | 114,825 | - | 114,825 |
| Lottery management costs | 30,945 | - | 30,945 | 13,451 | - | 13,451 |
| Lottery prizes | 78,000 | - | 78,000 | 80,756 | - | 80,756 |
| Shop running costs | 157,754 | - | 157,754 | 113,088 | - | 113,088 |
| | 701,586 | - | 701,586 | 576,267 | - | 576,267 |
| Investment costs: | | | | | | |
| Investment managers fee | 16,815 | - | 16,815 | 14,520 | - | 14,520 |
| Support costs | 15,400 | 41 | 15,441 | 12,038 | 196 | 12,234 |
| | 1,111,258 | 146 | 1,111,404 | 971,300 | 196 | 971,496 |

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS
For the year ended 31 March 2019

8. Charitable activities:

| | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Unrestricted Funds £ | Restricted Funds £ | Total 2018 £ |
|----------------------------------|----------------------------|--------------------------|--------------------|----------------------------|--------------------------|--------------------|
| Inpatient services: | | | | | | |
| Staff and related costs | 1,601,732 | 1,081 | 1,602,813 | 1,567,498 | - | 1,567,498 |
| Patient consumables – direct | 121,381 | - | 121,381 | 123,482 | - | 123,482 |
| Catering and housekeeping | 42,825 | - | 42,825 | 40,544 | - | 40,544 |
| Property occupation and repairs | 179,049 | 1,726 | 180,775 | 104,756 | 15,439 | 120,195 |
| Depreciation | 92,119 | - | 92,119 | 98,757 | - | 98,757 |
| Support costs | 287,459 | 759 | 288,218 | 228,730 | 3,724 | 232,454 |
| | 2,324,565 | 3,566 | 2,328,131 | 2,163,767 | 19,163 | 2,182,930 |
| Day care and outpatients: | | | | | | |
| Staff and related costs | 335,958 | 3,963 | 339,921 | 312,309 | 14,134 | 326,443 |
| Patient consumables – direct | 8,071 | 96 | 8,167 | 5,162 | 243 | 5,405 |
| Catering and housekeeping | 11,796 | - | 11,796 | 11,511 | - | 11,511 |
| Property occupation and repairs | 72,175 | 384 | 72,559 | 39,459 | 6,188 | 45,647 |
| Depreciation | 40,403 | - | 40,403 | 44,270 | - | 44,270 |
| Support costs | 118,064 | 312 | 118,376 | 96,307 | 1,568 | 97,875 |
| | 586,467 | 4,755 | 591,222 | 509,018 | 22,133 | 531,151 |
| Hospice at Home: | | | | | | |
| Staff and related costs | 101,434 | 285,344 | 386,778 | 78,028 | 171,859 | 249,887 |
| Patient consumables – direct | - | 1,566 | 1,566 | 28 | 7,376 | 7,404 |
| Catering and housekeeping | 560 | - | 560 | 305 | - | 305 |
| Property occupation and repairs | 11,548 | 61 | 11,609 | 3,035 | 8,335 | 11,370 |
| Depreciation | 6,464 | - | 6,464 | 3,405 | - | 3,405 |
| Support costs | 20,533 | 54 | 20,587 | 8,026 | 130 | 8,156 |
| | 140,539 | 287,025 | 427,564 | 92,827 | 187,700 | 280,527 |
| Family support: | | | | | | |
| Staff and related costs | 130,270 | 60,652 | 190,922 | 144,058 | 33,333 | 177,391 |
| Patient consumables – direct | 1,165 | 1,092 | 2,257 | 1,129 | 2,770 | 3,899 |
| Catering and housekeeping | 1,959 | - | 1,959 | 2,132 | - | 2,132 |
| Property occupation and repairs | 40,418 | 215 | 40,633 | 21,247 | 3,332 | 24,579 |
| Depreciation | 22,626 | - | 22,626 | 23,838 | - | 23,838 |
| Support costs | 66,732 | 176 | 66,908 | 52,167 | 849 | 53,016 |
| | 263,170 | 62,135 | 325,305 | 244,571 | 40,284 | 284,855 |
| Outreach and education: | | | | | | |
| Staff and related costs | 16,660 | - | 16,660 | 18,486 | - | 18,486 |
| Patient care – grant | 83,978 | - | 83,978 | 64,756 | 185 | 64,941 |
| Support costs | 5,133 | 14 | 5,147 | 4,013 | 65 | 4,078 |
| | 105,771 | 14 | 105,785 | 87,255 | 250 | 87,505 |

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS
For the year ended 31 March 2019

9. Allocation of support costs:

| | Raising funds | Inpatient services | Day care & outpatients | Hospice at Home | Family Support | Outreach/ education | Total 2019 | Total 2018 |
|------------------------|---------------|--------------------|------------------------|-----------------|----------------|---------------------|----------------|----------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Governance costs | 579 | 10,801 | 4,436 | 771 | 2,507 | 193 | 19,287 | 15,094 |
| Office support | 631 | 11,778 | 4,837 | 842 | 2,734 | 210 | 21,032 | 18,412 |
| Accounting and payroll | 2,126 | 39,682 | 16,298 | 2,834 | 9,212 | 709 | 70,861 | 63,353 |
| Information technology | 3,687 | 68,829 | 28,269 | 4,917 | 15,978 | 1,229 | 122,909 | 90,271 |
| Workforce & volunteers | 4,951 | 92,419 | 37,958 | 6,601 | 21,455 | 1,650 | 165,034 | 135,462 |
| Marketing | 2,602 | 48,569 | 19,949 | 3,469 | 11,275 | 867 | 86,731 | 76,484 |
| Irrecoverable VAT | 865 | 16,140 | 6,629 | 1,153 | 3,747 | 289 | 28,823 | 8,737 |
| | 15,441 | 288,218 | 118,376 | 20,587 | 66,908 | 5,147 | 514,677 | 407,813 |

Support costs are apportioned on the basis of floor space used in each activity as an approximation of the resources used in that activity.

10. Staff costs and numbers

Staff payroll costs (excluding agency) were:

| | 2019 | 2018 |
|--|------------------|------------------|
| | £ | £ |
| Salaries | 2,726,277 | 2,466,163 |
| Social security costs | 222,186 | 194,362 |
| Employers pension – defined contribution | 101,658 | 94,108 |
| Employers pension – defined benefit | 125,694 | 92,644 |
| | 3,175,815 | 2,847,277 |

Staff costs includes £nil (2018: £13,777) for redundancy and termination payments as a result of a reorganisation of service delivery.

The average monthly number of staffs employed during the year on a full time equivalent and headcount basis was:

| | 2019 | 2018 |
|--|------------|------------|
| | No. | No. |
| Full time equivalent: | | |
| Clinical and patient support staff | 61 | 59 |
| Support – HR & Volunteer, Finance, Marketing, office and ICT | 16 | 14 |
| Income generation staff – retail, lottery and Fundraising | 17 | 15 |
| | 94 | 88 |
| Headcount – all areas: | 147 | 135 |

The number of staff whose emoluments exceeded £60,000 in the year was:

| | 2019 | 2018 |
|-------------------|------|------|
| | No. | No. |
| £60,000 - £70,000 | 1 | 2 |
| £70,001 - £80,000 | 1 | - |

Pension contributions of £9,600 (2018: £9,081) were made to a defined contribution scheme in respect of these employees.

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS For the year ended 31 March 2019

The total amount of salary and benefits paid to key management personnel, as identified on page 2 (Legal and administrative details – Management Team) was £357,211 (2018: £322,363). None of the Trustees received any remuneration or benefits from an employment with the charity or related entities.

During the year no expenses were paid to or on behalf of Trustees (2018: £nil). Trustees donate their time, talent and skills to the smooth running of the Hospice. As well as their ambassadorial duties, they have supported fundraising events and contributed to the commercial activity of the Hospice as Lottery members and by making donations to the shops. In addition to this, the aggregate unconditional donations from Trustees during the year was £5,615 (2018: £40,165).

The Hospice is grateful for the valuable support of all its volunteers who support the work of paid staff in all areas of the Hospice's work.

11. Tangible fixed assets (group and charity):

| | Freehold land & Buildings | Plant & Equipment | Computers | Total |
|------------------------|------------------------------|----------------------|----------------|------------------|
| Cost | £ | £ | £ | £ |
| At 1 April 2018 | 5,044,825 | 618,467 | 155,834 | 5,819,126 |
| Additions | - | 50,420 | 28,685 | 79,105 |
| Disposals | - | (45,089) | (20,351) | (65,440) |
| At 31 March 2019 | 5,044,825 | 623,798 | 164,168 | 5,832,791 |
| Depreciation | | | | |
| At 1 April 2018 | 1,369,009 | 385,621 | 125,840 | 1,880,470 |
| Charge for the year | 99,984 | 46,572 | 9,997 | 156,553 |
| Disposals | - | (34,383) | (19,597) | (53,980) |
| At 31 March 2019 | 1,468,993 | 397,810 | 116,240 | 1,983,043 |
| Net book values | | | | |
| At 31 March 2019 | 3,575,832 | 225,988 | 47,928 | 3,849,748 |
| At 31 March 2018 | 3,675,816 | 232,846 | 29,994 | 3,938,656 |

Land and buildings includes £300,000 of non-depreciable land

EAST CHESHIRE HOSPICE
NOTES TO THE ACCOUNTS
For the year ended 31 March 2019

12. Investments:

| Managed Portfolio | 2019 | 2018 |
|---|------------------|------------------|
| | £ | £ |
| Market value b/f | 2,843,998 | 2,365,519 |
| Additions | 347,104 | 814,776 |
| Disposals | (367,537) | (367,809) |
| Net investment gains/(losses) | 170,815 | (10,749) |
| Charges paid in the year | (4,732) | (7,614) |
| Movement in cash deposits | 4,053 | 49,875 |
| Market value c/f | 2,993,701 | 2,843,998 |
| | | |
| Historical cost c/f | 2,513,077 | 2,490,435 |
| | | |
| The portfolio consisted of: | | £ |
| UK Equity Shares | 840,385 | 902,580 |
| International equity shares | 1,142,464 | 1,053,439 |
| UK Fixed Interest | 463,159 | 312,588 |
| International fixed interest | 81,480 | 81,900 |
| Alternatives | 402,669 | 434,001 |
| Cash | 63,544 | 59,490 |
| | 2,993,701 | 2,843,998 |
| | | |
| Unquoted - Hospices Quality Partnership | 10 | 10 |
| | 2,993,711 | 2,844,008 |
| | | |
| ECH Trading Ltd - wholly owned subsidiary (see note 13) | 2 | 2 |
| | 2,993,713 | 2,844,010 |

The investment portfolio is managed by the Investment Advisors on a discretionary basis with the objective of having a balanced, medium risk fund with no investments in tobacco companies.

13. Results of Trading Subsidiary:

ECH Trading Limited (Company number 05688814) is a wholly owned subsidiary of East Cheshire Hospice, operating a retail business selling new goods. The results for the year ended 31 March 2019 are:

| | 2019 | 2018 |
|--|-------------|-------------|
| | £ | £ |
| Turnover | 52,242 | 33,688 |
| Cost of sales and administration | (36,150) | (23,600) |
| Operating profit | 16,092 | 10,088 |
| Amount gift aided to the charity | (15,274) | (10,088) |
| Retained in subsidiary | 818 | - |
| | | |
| Balance Sheet | £ | £ |
| Current assets | 820 | 8,470 |
| Current liability - amount owed by / (to) parent | - | (8,468) |
| Total net assets | 820 | 2 |

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS
For the year ended 31 March 2019

14. Stocks:

| | Group | | Charity | |
|-------------------|------------|--------------|----------|----------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Merchandise stock | <u>818</u> | <u>8,468</u> | <u>-</u> | <u>-</u> |

The amount of stock recognised as an expense in other trading activity during the year for the Group is £28,071 (2018: £16,283) and Charity £nil (2018: £nil).

15. Debtors:

| | Group | | Charity | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Trade debtors | 23,057 | 15,722 | 23,057 | 15,722 |
| VAT recoverable | 39,915 | 24,655 | 39,915 | 24,655 |
| Amount due from subsidiary company | - | - | - | 6,543 |
| Gift aid recoverable | - | 104,139 | - | 104,139 |
| Prepayments and accrued income | 100,791 | 166,732 | 100,791 | 166,732 |
| | <u>163,763</u> | <u>311,248</u> | <u>163,763</u> | <u>317,791</u> |

16. Creditors:

| | Group | | Charity | |
|---|----------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Amounts falling due within one year: | | | | |
| Grants payable | 60,000 | 60,000 | 60,000 | 60,000 |
| Trade creditors | 138,308 | 109,551 | 138,308 | 109,551 |
| Amount due to subsidiary company | - | - | - | - |
| Taxation & social security | 60,932 | - | 60,932 | - |
| Accruals | 106,871 | 106,422 | 106,871 | 106,422 |
| Deferred income | 96,426 | 92,430 | 96,426 | 90,505 |
| | <u>462,537</u> | <u>368,403</u> | <u>462,537</u> | <u>366,478</u> |
| Analysis of deferred income: | | | | |
| Deferred income b/f | 92,430 | 87,981 | 90,505 | 87,981 |
| Income deferred in the year | 383,637 | 462,296 | 383,637 | 460,371 |
| Income released in the year | (379,641) | (457,847) | (377,716) | (457,847) |
| Deferred income c/f | <u>96,426</u> | <u>92,430</u> | <u>96,426</u> | <u>90,505</u> |

Deferred income includes lottery subscription fees and event income received in advance. Lottery income is deferred on receipt and released in the week of the draw. Events income relates to ticket and participator sponsorship monies received in advance of events, which is deferred and released when the event takes place.

17. Pensions:

The Hospice, without obligation, contributes to 3 pension schemes for current employees:

- **Scottish Widows Group Personal Pension Plan** - a defined contribution scheme. The Hospice paid employers contributions of £97,128 (2018: £92,123), and the pension creditor at the yearend was £nil (2018: £nil).
- **Now Pensions** - a defined contribution, auto-enrolment scheme with for staff who do not wish to join the Scottish Widows or NHS schemes. The Hospice paid employers contributions of £4,530 during the year (2018: £1,985), and the pension creditor at the yearend was £945 (2018: £354).

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS For the year ended 31 March 2019

- **NHS Pension Scheme** – an unfunded defined benefit scheme under the direction of the Secretary of State in England and Wales. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. It is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the Hospice is taken as the contributions payable to that scheme for the accounting period. The Hospice paid employers contributions of £125,694 (2018: £92,644) on behalf employees who were existing members of the scheme before joining the Hospice and are therefore able to carry on their membership under the scheme rules. This is based on a rate of 14.38% of pensionable pay, based on HMT Valuation Directions. The pension creditor as at the yearend was £19,242 (2018: £nil).

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year, carried out by the Government Actuary's Department. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used. The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

18. Contingent liabilities and assets:

Contingent liability - In 2011 the Hospice received a grant from the Social Enterprise Investment Fund (SEIF) of £450,000. The grant agreement contains a condition that repayment is required if free reserves, defined as all liquid assets that are not restricted, exceed 12 months operational expenditure in any financial year. Should this happen the grant must either be repaid in full or converted to an interest-bearing loan to be repaid in monthly instalments over the remainder of a ten-year term. If free reserves remain below 12 months operational expenditure for the whole of the 10-year term commencing on 1st April 2011, the grant becomes non-repayable. The grant is secured by a legal charge over the Hospice's premises at Millbank Drive. In April 2017, the Social Investment Business Group, who administer SEIF, varied the grant terms so that the Designated Hospice at Home Fund is also excluded from free reserves until March 2022.

Contingent asset – as at 31 March 2019 the Hospice is aware of 27 ongoing legacy cases (23 residuary and 4 pecuniary) where the value is uncertain as estate accounts are still to be finalised – no amounts have been included in income in relation to these legacies.

19. Operating lease commitments:

At the year end, the group and charity had total commitments under operating leases expiring:

| | Land & Buildings | Equipment | Total 2019 | Total 2018 |
|-----------------------|---------------------|--------------|----------------|----------------|
| | £ | £ | £ | £ |
| Within 1 year | - | 205 | 205 | - |
| Between 1 and 5 years | - | 4,766 | 4,766 | 59,753 |
| In more than 5 years | 209,759 | - | 209,759 | 124,417 |
| | 209,759 | 4,971 | 214,730 | 184,170 |

Operating lease payments made during the year were £71,021 (2018: £42,491).

EAST CHESHIRE HOSPICE
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For the year ended 31 March 2019

20. Capital Commitments:

There were no capital commitments at the end of the financial or prior year.

21. Share capital and company status:

The company is incorporated under the Companies Act 2006. It is limited by guarantee and, therefore, does not have any issued share capital. 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.

22. Funds:

| | Restated Balance b/f | Income | Costs | Transfers | Gains/ (losses) | Balance c/f |
|--|----------------------------|-----------|-------------|-----------|--------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Unrestricted Funds: | | | | | | |
| General | 4,204,165 | 4,313,337 | (4,334,890) | 144,994 | 43,754 | 4,371,360 |
| Revaluation reserve | 353,563 | - | - | - | 127,061 | 480,624 |
| Designated Hospice at Home | 1,006,566 | - | (196,880) | - | - | 809,686 |
| | 5,564,294 | 4,313,337 | (4,531,770) | 144,994 | 170,815 | 5,661,670 |
| Restricted: | | | | | | |
| Property Funds: | | | | | | |
| Hospice Premises | 3,639,816 | - | - | (99,984) | - | 3,539,832 |
| Equipment fund | 48,624 | 2,500 | (851) | (44,490) | - | 5,783 |
| Hospice garden | 2,707 | 731 | (1,107) | (175) | - | 2,156 |
| Service Funds: | | | | | | |
| Hospice at Home | 183,709 | 353,683 | (288,652) | - | - | 248,740 |
| In-patient Unit | - | 1,081 | (1,081) | - | - | - |
| Big Lottery Fund - childhood bereavement | 19,034 | - | (19,032) | (2) | - | - |
| Childhood services | 941 | 24,830 | (25,761) | 2 | - | 12 |
| Sunflower Centre for Day Care | 1,561 | 2,403 | (3,964) | - | - | - |
| Dementia services | - | 4,000 | (96) | - | - | 3,904 |
| Chapel Fund | 15,771 | 1,180 | (16,951) | - | - | - |
| Other Funds: | | | | | | |
| Staff Fund | 738 | 500 | (146) | (345) | - | 747 |
| Total Restricted | 3,912,901 | 390,908 | (357,641) | (144,994) | - | 3,801,174 |
| TOTAL FUNDS | 9,477,195 | 4,704,245 | (4,889,411) | - | 170,815 | 9,462,844 |

Unrestricted Funds:

General fund – this is the accumulation of free reserves.

Revaluation Reserve – is required by the Companies Act 2006 and represents the amount by which investments have been revalued from their historic cost.

Designated fund – Hospice at Home – in March 2017 the Trustees agreed to transfer £1,100,000 of reserves to help fund the Hospice at Home project for 5 years whilst a secure and viable income stream is built up to fund this service in the longer term.

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS For the year ended 31 March 2019

Restricted Funds:

Property Funds - Hospice Premises - this fund represents the net book value of the Hospice's premises at Millbank Drive and includes £300,000 for the land originally donated by the Health Authority. It does not include £36,000 relating to a retail property in Macclesfield. Should the Hospice's activities cease, and the Millbank Drive premises be sold, all the proceeds would be payable to The Secretary of State for Health and Social Care. This obligation is secured by a legal charge over the Hospice's premises at Millbank Drive.

The value of the land and buildings is therefore considered to be restricted. The transfers result from movements in the property value arising from capital expenditure and depreciation.

Property funds - Equipment Fund and Hospice Garden funds represents funds received for the purchase of equipment for all areas of the Hospice, and for the maintenance of the gardens.

Service funds:

These represent monies received for the provision of specific Hospice services. The Hospice at Home service is supported by a well-received major donor campaign, started in 2017 with 5-year support pledged whilst other funding sources are built up. The **Big Lottery Fund Grant** funded a project to provide on-going emotional support and childhood bereavement counselling services in the Hospice's catchment area. Funding for the 5-year project term was provided by The Big Lottery Fund under a 'Reaching Communities' grant, extended until October 2018 to allow unspent funds to be utilised. This grant has now ended, and additional funding is being sourced to maintain this service.

Other funds:

The **Staff Fund** - this represents donations given specifically for the benefit of staff and for staff training. The HR manager is responsible for deciding benefits to be provided.

Transfers between funds:

These reflect the fulfilment of restrictions through the purchase of fixed assets with restricted donations, and depreciation of those restricted assets.

23. Analysis of net assets between funds:

| | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ |
|-----------------------|----------------------------|--------------------------|--------------------|
| Tangible fixed assets | 309,916 | 3,539,832 | 3,849,748 |
| Investments | 2,993,711 | - | 2,993,711 |
| Net current assets | 2,358,043 | 261,342 | 2,619,385 |
| Group: | 5,661,670 | 3,801,174 | 9,462,844 |
| Investments | 2 | - | 2 |
| Net current assets | (820) | - | (820) |
| Charity: | 5,660,852 | 3,801,174 | 9,462,026 |

24. Related parties:

There are no related party transactions that require disclosure other than those relating to the trading company (note 13).