

Company Number: 03056823

Charity number: 1046826

Isabel Hospice Limited

Trustees' Annual Report and Financial Statements
For the Year Ended 31 March 2023

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Foreword from the Chair

The financial year 2022-23 was a more “normal” year after the COVID-19 pandemic. This was the first year since 2018-19 where our shops have been open all year and we have been able to resume our fundraising activities. During the year we supported 1443 patients (2021-22: 1435) and 451 family members (2021-22: 410). The number of calls to the out of hours advice line increased (2021-22: 973, 2022-23: 1509) as did the number of people supported in Living Well with Isabel (2021-22: 274, 2022-23: 316) and Compassionate Communities (2021-22: 241, 2022-23: 266). The learning from the pandemic, with remote consultations, education and group sessions is now fully embedded. For example, 67% of Clinical Specialist patient consultations were remote.

During the year we started an Equity, Diversity and Inclusion (EDI) programme for staff and volunteers. The aim is to raise awareness of EDI issues. Within our clinical work we have established programmes to identify specific groups who may find it harder to access services, and developed specific approaches to engage them and ensure their needs are met. In the current year, for example, we have extended our reach to those working with people with learning disabilities and also the Lesbian, Gay, Bisexual and Transgender (LGBT) community.

Our work with 71 care homes to educate and train staff in palliative and end of life care and support for families in Eastern Hertfordshire has been successful, and is to be extended to care homes in Northern Hertfordshire in 2023-24. Our extensive education programme for all health professionals has been implemented while working with partners. We have organised our first Isabel Hospice Conference entitled **Mind over Matter** which was a huge success with international speakers and 191 attendees from different countries.

Financially, Isabel Hospice started the year with a budget deficit but ended with a surplus of £274k largely due to legacies exceeding budget, for which we are extremely grateful.

Our vision is **Outstanding Palliative Care for All**. During 2022-23 we revisited our strategy (2021-2026) and work progressed under the three strategic themes to deliver our vision:

- **Empower** a dynamic, agile organisation to include being financially sustainable and resilient.
- **Enable** an outstanding organisation that delivers care in any setting and is seen as a leader in our fields.
- **Engage** with stakeholders and each other.

Looking forward, the Charity faces a number of challenges. Rising inflation and cost of living increases, with the potential effects on donation levels and our operating costs, could adversely impact the Charity's finances. The Charity will be looking at different ways of generating income from fundraising, retail contribution and looking at whether it can turn some assets into additional, diverse income generation schemes.

The work of Isabel Hospice could not be delivered without its amazing staff and volunteers, and the support of the community. The Board would like to thank the staff for being responsive and agile in responding to the required changes and being compassionate to each other. We would like to thank the volunteers who so willingly give their time, and our community for supporting us in all sorts of ways but in particular, by providing, the much needed funds to enable the Hospice to continue to deliver its services. Thank you to all our supporters.

Terry Philpott
Chair

Date 06 September 2023



Trustees' Annual Report for the Year Ended 31 March 2023

The Trustees are pleased to present their annual report (which, for the purposes of company law, includes the strategic report and the Directors' report) and the audited financial statements for the year ended 31 March 2023.

These financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015, 2019). The financial statements include the results of the Charity's trading subsidiary, Isabel Hospice Trading Limited.

Objectives and Activities

The Charity's purpose as set out in the objectives contained in the Company's Memorandum of Association is "to provide palliative care and support for those suffering from life-limiting illnesses, as well as support for their families and carers, in the boroughs of Welwyn Hatfield and Broxbourne and the District of East Hertfordshire".

To deliver this objective we provide a range of services to support patients and their families. Some of these services are illustrated in the following patient's story.

Claire's Story



Living with a long-term or progressive illness can turn your life upside down. It can prevent you from doing the things that are important to you.

Our Living Well with Isabel programme provides support for patients, and the people who love them, to adjust to the changes that come when someone has been diagnosed with a life-limiting or terminal condition.

Our team of specialist nurses and therapists are here to help manage the changes in a person's life, enabling them to remain independent for as long as possible and to focus on the things that are meaningful to that individual.

Shortly before Claire Newman, primary and secondary school teacher died in December 2022, Claire shared how our Living Well team were helping her savour some of life's sweeter moments by enabling her to find the confidence to overcome some of the challenges of living with cancer.

The 49-year-old married mum-of-three, who was diagnosed with pancreatic cancer in October 2021, was referred to our Living Well with Isabel team by her consultant at the Royal Free Hospital after deciding against a second round of chemotherapy.

"I spoke to the Hospice team and was offered the eight-week wellbeing course and, I remember thinking at the time, is it worth it, or is it too late?" she said. "But I was persuaded to go along and give it a go, and actually it was the right decision."



Our wellbeing sessions, held at our Living Well hubs in Welwyn Garden City, Waltham Cross and Bishop's Stortford, cover a range of emotional, physical, social and spiritual issues, or anything else that is impacting on someone's health and wellbeing. They include clinical and therapeutic interventions as well as creative therapies, such as adapted Tai Chi, horticulture and art therapy. Discussions are also had around symptom management, practical issues, advanced care planning and more.

Claire said: "I really love crafts and gardening, so that aspect of the course I enjoyed. It was absorbing and a great opportunity to focus on something, but also have conversations with other patients at the same time. Although we were all focused on the activity, we were able to share our experiences, which is really valuable.

"Remarkably, someone I know also attended, and we both appreciated the chance to be emotionally honest with somebody who was walking a similar path. There was concern for our children and how they were coping with everything that was going on, and the sense that you're not the only one going through these struggles. It doesn't make it any easier that other people are going through the same, but if one of us was struggling on a particular day, then the other one could be supportive and sympathetic."

She continued: "From the practical side of things, to have information so readily available from [Senior Staff Nurses] Gail and Sarah was so helpful. To have access to their expertise on a weekly basis was incredibly reassuring.

"When you're ill you can be so up and down; you have good days, and not so good days. There have been times when I've been very concerned to leave the house because of some of the more horrible symptoms of my cancer, but we were able to talk about the things that were worrying me and what I could do to prevent certain situations from arising.

"Before, I was hardly going out, but with their help, I've been able to go out more. I was able to go to an open air theatre production that I'd been incredibly anxious about thanks to support from the team. It was achievable and I had a really good time.

"It's given me the confidence to still do some of the things that bring me joy, to do things with my children that otherwise I might not have done, and to remember that life doesn't have to stop even at this point in my illness."



Our Values

Our values are at the heart of how we work in every setting – between staff, within teams, with volunteers, how we treat patients and families and how we engage with partner organisations and suppliers. These are:

Values	Explanation
Care	Everything we do shows we support and care about everyone
Together	We are collaborative and inclusive in our approach
Respect	We respect the contribution that everyone is able to make
Responsive	We are responsive to people's needs
Dynamic	We challenge existing practices and strive to continuously improve.

Together we care is our strapline and captures the essence of our approach as a charitable hospice:

- Every aspect of our care and support is delivered in partnership – with patients, families & loved ones, other professionals.
- Every member of staff and volunteer plays a crucial role in making our care possible.
- We work with our communities and our partners.

Our Services During 2022-23

During 2022-23 we entered a period of transition following the Covid pandemic. Our Living Well and Compassionate Communities services expanded whilst our community and inpatient teams continued to provide high-quality care for our patients and their family members. An update of our Clinical Services is described below.

Community Care

Our Clinical Nurse Specialists (CNS) provide care through hybrid remote (adopted during the pandemic) and face to face consultations. Patients are triaged over the telephone and those patients with complex symptoms are offered a home visit.

Our Hospice at Home team works with the district nursing team to allow patients to get the care they need at home safely and conveniently, rather than being an inpatient at hospital or the Hospice. This year, 89% of Isabel patients were able to die in their preferred place of death (PPD). Physical symptoms or sudden deterioration in condition were factors for those who did not meet their PPD.

We offer a range of therapeutic interventions or a social meet up in a range of community hubs via our Living Well and Compassionate Community services.



Inpatient Unit

Our In-Patient Unit (IPU) based in Welwyn Garden City is currently staffed for 8 patients but can flex to accommodate up to 14 beds. Our highly trained multi-disciplinary team consisting of doctors, registered nurses, allied health professionals, counsellors and healthcare support workers offer specialist symptom management and end of life care.

24-Hour Advice Line

Our 24-Hour Advice Line provides clinical advice and support for patients, their families/carers and professional colleagues about any palliative care and /or end of life care issue, irrespective of the person's diagnosis and whether they are known to us.

Family Support

We support patients and their families as they cope with the diagnosis of a life limiting illness through to bereavement. We provide telephone support for adults and children through individual and group sessions.

Education

Our aim within the Learning, Development and Education team is to empower others to deliver outstanding palliative care for all.

To this end we continue to work collaboratively to deliver our extensive external education program for all healthcare professionals across East Hertfordshire. We have supported the Integrated Care Board with the training for the new ReSPECT document as well as delivering a collaborative project with the Hertfordshire Partnership University NHS Foundation Trust for Mental Health and Palliative Care.

The Learning, Development and Education team also delivered their first conference in the year. This was a huge success with internationally renowned speakers and 191 attendees. The topic was 'Mind over Matter' and the conference delved into the psychological aspects of palliative care. It explored compassionate minds and dignity therapy as well as the art of communication for our patients and their families and how we look after ourselves. The conference underpinned our strategy in terms of empowering confidence in supporting psychological needs and engaging with others working within palliative care.

Our end-of-life care (EOLC) education programme provides training and support in EOLC to 71 care homes across East Hertfordshire. This programme will be extending to North Hertfordshire over the coming year.



Public Benefit

The Trustees have reviewed the Charity Commission guidance on Public Benefit and are confident that the Charity meets the requirements, specifically:

- All services to patients and families are provided free of charge
- We work closely with GPs and other healthcare professionals as we seek to try to ensure that everyone in the last year of their life is identified and referred to, and able to access, the right services to meet their needs
- We seek to identify specific groups who may find it harder to access services and develop specific approaches to engage them and ensure their needs are met. In the current year, for example, we have extended our reach to those working with people with learning disabilities and also the Lesbian Gay, Bisexual Transgender (LGBT) community.

All services are provided free of charge irrespective of social, economic, ethnic or religious background and are for the public benefit. To fund these activities, the Charity has to raise the majority of its funding from the communities it serves and we continue to rely on the generosity of local people through a wide range of fundraising and giving, including:

- Individual donations, in memory gifts, regular giving and legacies
- Grants from trust funders
- A wide range of fundraising events
- A lottery
- 15 charity shops and an eBay shop operated by our trading company which passes all of its profits to the Charity.

We also have a service contract with the East & North Herts Clinical Commissioning Group (CCG) that provides 27% of our income.

The Charity continues to rely on support from 525 active volunteers who make a substantial contribution to income generation and service delivery. The Charity could not provide its services without their time and skills.

Strategy and Vision

Strategy

The Hospice continues to work towards the Isabel Hospice Strategy for 2021-2026. Measures of success were reviewed and updated within the year.

Vision

Our vision is **Outstanding Palliative Care for All**

We will deliver outstanding palliative care through our services, and work in partnership with others including patients, GPs, NHS community providers, NHS acute hospitals, nursing and residential care homes, carers, patients' relatives and other third-party providers to enable them to deliver palliative care that meets patients' needs.

We need to remember that the provision of end-of-life care is the responsibility of statutory bodies, however, the Hospice has a key contribution to this.



Strategic Themes

We have identified three strategic themes to inform and drive everything we do for the vision to be delivered, and these are:

- **Empower** a dynamic, agile organisation to include being financially sustainable and resilient.
- **Enable** an outstanding organisation that delivers care in any setting and is seen as a leader in our fields.
- **Engage** with stakeholders and each other.

The challenges we are addressing, what we will do (**areas that have been addressed are emboldened and given a ✓**), what we have done in 2022- 23 and measures of success identified for 2026 are summarised below under each strategic theme.

Empower

The Challenge	Strategic Theme	What we will do	What we have done in 2022-23	Measures of success
We cannot generate sufficient income to cover the costs of the ever increasing need for our services doing what has worked in the past. Isabel Hospice "as is" cannot sustain the anticipated growth. Our workforce needs to be empowered and driven to enact change.	Empower a dynamic, agile organisation to include being financially sustainable and resilient.	* Develop a skilled, focussed, high performing and committed workforce and volunteers ✓ * Leverage high quality data to drive informed decisions ✓ *Charge for non-core services * Be efficient with costs and expenditure ✓ * Improve legacy income predictions e.g. investigate legacy insights ✓ *Increase our income *Reduce operating costs from head office * Review Governance structure to ensure it supports an agile business ✓ * Develop succession plans for employees ✓	*Reviewed staff and volunteer survey responses and identified priority areas to address *Reward and recognition evaluated *Identifying Key Performance Indicators and Dashboards for all areas *Expenditure below budget *Informed by legacy foresights, legacy stewardship programme in place *Governance framework reviewed, updated and agreed by the Board *Succession plans being identified in main businesses	By 2026 we have: *Diversified into other income streams *Increased numbers of active volunteers to 75% of registered volunteers in month *Better understand our volunteer requirements and diversified our base to meet these needs *Met our KPI targets for employee satisfaction, (sickness, retention and empowerment etc.) *Expenditure is no more than 80% of income *Free reserves (cash and liquid assets) are equivalent to 6 months of expenditure *Fundraising income has increased to £2.7 million per annum *Trading company contribution is in excess of £0.5 million per annum *Increased the amount of supporter pence in the pound that goes towards patient care



Enable

The Challenge	Strategic Theme	What we will do	What we have done in 2022-23	Measures of success
Our organisation needs to be outstanding in everything we do. We also need to leverage new technology to reach people in new ways and improve our business at every level.	Enable an outstanding organisation that delivers care in any setting and is seen a leader in our fields	*Build on new and novel ways of engaging with system partners and primary care borne out of COVID e.g. webinars/ virtual sessions ✓ *Efficiently continue virtual community care where applicable ✓ *Find new, innovative ways to deliver income ✓ *Become an employer of choice *Find new ways to understand and measure patient satisfaction ✓ *Assess accreditation options ✓	*Attended all system meetings *Virtual community care has continued; 67% of interactions were virtual *There is a particular focus on Corporate Fundraising for 2022-23 *Reviewed measures to understand patient satisfaction *Assessed accreditation options and identified preferred option	By 2026 we have: *Delivered outstanding services *Identified 4 key success areas from staff survey and improved those vs 2021 results *Patient satisfaction remains above 95% *60% of our consultations are virtual *Delivered outstanding supporter and retail experiences

Engage

The Challenge	Strategic Theme	What we will do	What we have done in 2022-23	Measures of success
We need to find ways to collaborate successfully externally (e.g. other hospices, NHS, Universities) and ensure better internal collaboration to support this	Engage with our stakeholders and each other	*Decide whether to merge with Garden House Hospice ✓✓ *Work with the NHS to deliver valued services that they are willing to fund ✓ *Collaborate with external partners as widely as possible e.g. University of Hertfordshire ✓ *Benefit through economies of scale through greater collaboration and partnership with other hospices ✓ *Investigate outsourcing *Engage in new ways of working ✓ *Build partnerships with local organisations to enable a strong community presence and drive awareness ✓ *Improve our internal communications ✓	*Completed – not merging with Garden House Hospice *Agreed with NHS during 2022-23 to fund CNS Heart Failure Services as core services *Partnered with Herts Regional College for placements as volunteers *Started to build partnerships to enable a strong community presence – e.g. Healthwatch, all councillors. To be developed further through Equity, Diversity and Inclusion Work. *Led the development of Memorandum of Understanding with the Hospices in Herts and West Essex *Introduced team briefings, weekly Message from Helen, quarterly update meetings	By 2026 we have: *Increased perceived level of NHS funding due to offering services they value *Built a partnership with the University of Herts and other businesses *Partnered with other hospices to reduce costs for some projects *Improved internal communications in response to employee surveys



Achievements and Performance

The selected metrics listed below are illustrative of the scale and scope of the services provided. During 2022-23, a higher number of people accessed our services compared to 2021-22. The number of admissions to IPU decreased slightly this year. We have been developing closer links with discharge teams from the acute sector to enable an effective transfer of care. Our Clinical Nurse Specialists (CNS) continue to provide care through hybrid remote and face to face consultations. This year we increased the number of face-to-face visits from 1,137 to 1,376. The number of people accessing our Living Well and compassionate communities services increased by 15%. This is also reflected in the average days from referral to death which continued to rise, indicating people are accessing our services earlier. The number of people receiving support from our family support team also increased due to the recruitment of placement counsellors.

Metric	March 2023	March 2022	March 2021	March 2020
Total people using our services	1,894	1,854	1,694	2,339
Patients	1,443	1,435	1,318	1,834
Family support clients*	648	564	488	630
Admissions to In-Patient Care	237	257	228	222
Patients cared for by Hospice at Home	315	357	359	287
Patients cared for by Clinical Nurse Specialist	1,215	1,233	1,115	1,198
Patients cared for at Living Well	316	274	231	601
Attendances at Living Well sessions	2,641	2,701	1,715	6,334
Clients supported by Compassionate Communities	266	241	60	n/a
Cancer / other diagnosis	63%/37%	61%/39%	59%/41%	54%/46%
Average days from referral to death	160 days	142 days	133 days	120 days

*Family support clients – 354 were adult family members, 97 children and 197 patients.

(Further details of our services with activity, quality and performance data can be found in our annual Quality Account, prepared for NHS partners. Our Quality Account can be found on our website: <https://www.isabelhospice.org.uk/aboutus/impact-reports/>)

Clinical Quality Priorities for 2023-24

Our clinical strategic objectives are:

- Enable an outstanding patient journey
- Engage and integrate with the wider health and social economy
- Empower staff to deliver outstanding care
- Engage to enable and empower a compassionate community

Enable an outstanding patient journey

Consolidation of Patient Safety Incident Response Framework (PSIRF)

Having completed the orientation stage of PSIRF, we will be taking forward the remaining PSIRF stages resulting in full implementation. A focus for us as a small independent provider will be ensuring a considered



and proportionate response to patient safety incidents. This will enable us to implement systems-based responses, use the opportunity to focus on issues where incidents have not yet occurred and explore contributory factors in the context of the whole system.

Engage and integrate with the wider health and social economy

Care Home Education Project

Isabel Hospice employs a Care Home Educator to provide education to the care homes in East Hertfordshire and this year, this program has been extended to include the care homes in North Hertfordshire.

This service will support residents to achieve their preferred place of care and death, support care home staff to deliver care that is individualised and responsive. This will also help to avoid unnecessary hospital admission and support the provision of acute beds across East and North Hertfordshire. It is also an opportunity for the Hospice to increase the awareness of what services we offer and how we support our communities.

Empower staff to deliver outstanding care

Introduce Electronic Prescribing and Medicines Administration (EPMA)

We are aiming to introduce a new electronic prescribing and administration of medicines system. This is already in place in a number of acute trusts and some hospices throughout the UK.

The benefits of introducing a new ePMA system include:

- Improved patient safety through a reduction in medication errors
- A reduction in the overall time taken to prescribe, check, supply and administer medicines
- Enhanced patient care as time saved gives clinicians more time to spend with patients
- Medication records are stored electronically and available 24/7
- Patient's medication history, decision support and online resources available to aid prescribing, with allergies and interactions highlighted
- Extensive and robust audit information on medicines usage.

Engage to enable and empower a compassionate community

Identify and Support Frailty Patients in the Community

Informed by our successful Compassionate Communities approach we aim to identify who is at risk of frailty using tested assessment tools, engage with those identified at risk via referral partners, and coordinate a programme of accessible activities and education to build resilience. By focusing on this new approach to frailty care, this will help us to identify and connect with new, under-served and hard-to-reach community members who would otherwise have no opportunity or inclination to engage with hospice services.

We will drive this frailty project through activities surrounding our weekly Compassionate Café in Welwyn Garden City. We will use the Rockwood Clinical Frailty Score to determine baseline and ongoing assessment of patients' frailty, primarily focusing on those identified at Levels 3 to 7. We will tailor-make and deliver a monthly programme of education for our patients, their families and carers, and the wider public focusing on advancing frailty as the major end of life need.



Fundraising

Fundraising Achievements 2022-23

We are extremely grateful for all the financial support that we have received from our community during 2022-23.

Despite a number of vacancies within the fundraising team and the impact of the current economic climate, our fundraising efforts performed relatively well. This success was driven by several factors, including:

- Community, Corporate and Events seeing a +35% increase compared to last year
- Our volunteers helping us to organise the Xmas Tree Recycling initiative ourselves rather than outsource the operation
- The continued support that we received from the Special Events Committee and our long-term volunteers
- A new and energetic team being recruited by the end of the financial year.

Fundraising Objectives 2023-24

The current economic climate, with the increase in the cost of living, presents an uncertain landscape for fundraising. As such, Isabel Hospice anticipates a further challenging year in 2023-24.

With a relatively new fundraising team in place, we are planning to organise new events and activities that we hope will appeal to our supporters. We also want to reach out to new corporate partners, community groups and organisations to encourage them to support our fundraising efforts.

Whilst we are planning new initiatives, we shall also review and improve our systems and procedures to give our supporters a better experience.

Our key objectives for the year will be to:

- Raise £2.26m through fundraising activities
- Raise £1.30m through legacies
- Introduce new streamlined fundraising activities and initiatives
- Improve supporter care and reach and engage with new supporters.



Retail / Charity Shops

Retail Achievements 2022-23

The Retail/Charity shop business is overseen by the Board of Isabel Hospice Trading Limited, a subsidiary of the Charity. We are extremely grateful for all the support that we have received from our community during 2022-23, including those who donated goods to us and those who purchased items in our stores and online.

We finished the year in a strong position with £2.7m income being raised (2021-22: £2.5m), which exceeded budget by £57k. As well as exceeding the income budget, expenditure costs were lower than planned by £73k. As a result, Isabel Hospice Trading Limited was able to contribute **£379k** (2021-22: £428k) to Isabel Hospice Limited.

We also achieved the following:

- Increased Bought In Goods from £25k last year to £50k, mainly driven by greetings cards and a new Christmas range
- Launching Tonnes of Care on Earth Day and generating an extra 6,948 bags of donations. This sustainability initiative won the Hertfordshire Heroes Green Award in January 2022, and we are also finalists for the Inspiring Hertfordshire Green Award with Herts Chamber of Commerce
- Shortlisted for Outstanding Charity Retailer, Best Shop Window and Young Volunteer of the Year for the Charity Retail Awards 2022 (national competition)
- Trialled new events and Pop Up Shops like the Kings Cross Charity Supermarket which generated £4,500 over 2 days; similar to our income in our biggest shops in a week

Our efforts were hampered by factors which affected our overall income:

- We continue to struggle with volunteer recruitment
- E-commerce recruitment was difficult, resulting in lower headcount than planned.

Retail Objectives 2023-24

Over the next year, we believe our retail provision will become even more important for our community especially as the cost of living increases and people may need to rely on our shops and ecommerce service. Throughout 2023-24 we plan to build on the success of our sustainability messaging, pop up shops and Bought in Goods.

We have invested in a Sustainability Partners Officer who will revitalise Tonnes of Care in its second year by engaging current partners and recruiting new ones. We will continue to promote sustainable shopping and introduce new customers to preloved goods through our popular Thrift & Fizz events, and will be participating in Sustainable Fashion Week in September 2023.

We plan to refit several of our shops and to convert two shops into 'clothing only boutiques' as a new specialist concept. There are plans to open new shops within our area and launch our new transactional website. We will also work closely with the People Team at Isabel Hospice to increase the number of volunteers who can support our operation and help us raise more income for our vital service.



Our People

Our people, both staff and volunteers are our greatest resource. We aim to support the development of a skilled, focussed, high performing and committed workforce of staff and volunteers. We currently employ 177 staff (146 Whole Time Equivalent (WTE)), including casual and bank staff and have 525 active volunteers; a small decrease from the 548 reported in 2021-22.

During 2022-23 it was estimated that 525 volunteers gave 81,900 hours of their time during the year. This equates to £853,398 of time (based on national living wage). We are immensely proud of the support provided to the Hospice by our highly valued team of volunteers who give their time, expertise and support to the Hospice in a wide variety of areas from administration, retail, patient services and fundraising. The Board of Trustees would like to thank all volunteers for all that they do.

Work that has been taken forward is described below.

Staff and Volunteer Engagement Survey

The fourth annual “Birdsong Survey” was undertaken. 63% of staff and 27% of volunteers took part. The results suggested many improvements had occurred when compared with results from the previous year, particularly in relation to leadership, wellbeing and processes. We have identified 7 areas for focus for 2023-24. Four of these are a continuation from last year as projects are still underway. There are a further 3 areas which are new to this year (indicated by*):

- Communication between teams
- Environment and sustainability
- Processes
- Staff well-being
- Perception of leadership and Board*
- Pay and reward*
- Confidence in using supporters’ donations effectively*

Build the Diversity of Our People

We are keen to ensure that our staff and volunteers reflect the community that we serve and that we celebrate diversity and are inclusive. During 2022-23 we undertook the following activities for Equality, Diversity & Inclusion (EDI):

- EDI Staff Survey, before reporting and communicating its findings. This provided a baseline of perceptions of staff of EDI at the Charity and helped design the Staff EDI Awareness sessions.
- Delivered mandatory EDI training for all staff both face to face and virtually, to raise awareness of EDI issues and support behaviours such as ‘calling in’ and ‘calling out’ to ensure that we live our values.
- Formed an EDI Forum with staff and volunteers to formulate EDI Strategy for the Hospice and prioritise EDI activities.

Additional Projects Undertaken in 2022-23

These include:

- Roll out of new HR System (Staffcare) – this has streamlined the HR process.
- Continuing review of Clinical salaries and taking action to ensure they were competitive with the NHS.
- Identifying innovative ways to recruit staff – e.g. Specialist Doctor, Paramedics, and ways to encourage recruitment of nurses e.g. golden handshakes.



Objectives for 2023-24

These include:

- Rollout of Staffcare for volunteering.
- Strategic volunteering recruitment events to focus on early retirees and work returners.
- Designing strategic objectives for Learning and Development.
- EDI – ongoing focus, with EDI Forum and EDI training for volunteers.



Financial Review

The financial statements for the year ended 31 March 2023 comprise the results for the Charity and its wholly owned subsidiary Isabel Hospice Trading Ltd.

In this, the first full year since the COVID-19 pandemic the Charity did not receive any Covid related funding. It recorded a balanced set of financial results for the 2022-23 financial year with a net surplus of £0.274m. The focus for the Charity is on developing its fundraising and retail income generation in order to combat ongoing reduction in NHS income in real terms. The Charity has significant ambitions for both, whilst remaining cash positive.

Reserves are being maintained and designated for the purpose of improving the inpatient unit and buying or leasing a new retail and warehouse building which will allow for operational efficiencies. Meanwhile the Charity continues to provide services that are not statutorily funded, but are essential for the delivery of its objectives to provide services to a population that may not be able to otherwise to access such support.

Income

Total income for the year decreased by £0.1m (1%) to £8.4m. Included in these figures is a reduction in government grants from £99k (2021-22) to £3k, as a result of the ending of Covid restrictions.

Income from fundraising donations and recognised legacies (excluding lottery and event income) was up 9% to £2.8m (2021-22: £2.5m). The Charity had another good year with Legacy income with recognised income from this source increasing to £1.8m (2021-22: £1.2m).

Income from Charitable Activities however, which includes NHS and investment income, was down 17% to £2.2m (2021-22: £2.7m).

Income from Other Trading Activities increased by 4% to £3.4m (2021-22: £3.3m). Key drivers of this increase were a 6% growth in Charity Shop income to £2.7m (2021-22: £2.5m) and 16% growth in Fundraising event income to £0.5m (2021-22: £0.4m).

At the end of the financial year, the Group held net assets of £8.4m (2021-22: £8.1m). Net current assets increased to £3.4m (2021-22: £2.7m).

Total cash in hand available to the Hospice at the balance sheet date increased by £0.4m to £3.0m (2021-22: £2.6m).

Of the total funds for the Hospice at the end of the year (£8.4m, as above), our unrestricted funds comprise of £0.1m (2021-22: £3.0m) in undesignated general funds and £6.9m (2021-22: £3.6m) in designated funds. Designated funds have increased as the Group saves for the extension and re-development of the inpatient unit and a new retail, warehouse and head office building, investment in service delivery and efficiency for the long term. The Charity is actively conducting a search for a new retail building that fits our vision for the future in a flexible way and is working towards submission of a planning application for the inpatient unit. Our restricted funds comprise endowment funds of £0.8m and other restricted funds of £0.6m.



Risk Reserves

The Trustees have chosen to adopt a risk-based approach to income streams in setting a target level for risk reserves, making an assessment of the amount of each income which could be at risk in any one year. This approach fits hand in hand with our review of strategic risks and mitigates many of the funding risks identified. The reserves also specifically recognize the risks associated with planned growth and the development of new income streams.

Following a review of its Risk Reserve Policy and targets the Trustees set a target of £1.1m to manage the risk of potential fluctuations or underperformance in key income streams. Following solid financial performance in its financial results for the 2022-23 financial year, the Charity has maintained its Risk Reserve fund at £1.1m.

Working Capital and Cashflow

A vital factor for any organisation is having sufficient working capital and cashflow. We have benefitted for many years from our NHS Clinical Commissioning Group (CCG) contract paying us the full contract amount (c£2.0m annually), forwarded in quarterly upfront payments.

We produce a cashflow forecast and monitor our cashflow position regularly to provide additional scrutiny of our cash performance and reserves. Our year end cash position improved by £0.4m to £3.0m. This position has provided the Charity with at least 3 months cover for operational working capital requirements.

Going Concern

Trustees recognise the requirement to assess the going concern of the Charity.

The Charity has sufficient working capital to provide a contingency if required and the Trustees are satisfied there are no unmanaged material uncertainties impacting the Charity's ability to remain a going concern, and so can conclude there is a reasonable expectation that the Charity will be a going concern for at least 12 months from the signing of this report and accounts.



Key Risks and Uncertainties

Following best practice guidelines, including those of the Charity Commission, Isabel Hospice constantly reviews all risks through risk registers. These are considered by the Board sub-committees and Isabel Hospice Trading Board. High scoring operational risks are seen by the Board as well as the strategic risks identified.

High level risks identified in 2022-23 were as follows:

Delivery of Clinical Services Affected by Shortages of Clinical Staff

There is a risk that the delivery of clinical services is reduced due to shortages of clinical staff due to sickness and vacancies, and difficulty in recruiting staff. To address this we have increased salaries of clinical staff so that they are equivalent to NHS Agenda for Change rates and we have appointed paramedics who are looking for a change in role; we trained them in palliative and end of life care.

Reduced Income

Reduced income includes fluctuations in Fundraising (including Legacy), partly due to rising inflation and cost of living and retail contribution to the Charity. It also includes the risks we face from a changing NHS commissioning landscape with the establishment of East and North Herts Integrated Care Partnerships (ICPs) and Hertfordshire and West Essex Integrated Care System (ICS) and Board. While challenging, this situation presents us with an opportunity to work further with partners and local hospices in the development of palliative and end of life care for a larger population. We have led the development of a Memorandum of Understanding with local hospices to facilitate this. To address the risk of reduced income, we are continuing to develop a diverse fundraising portfolio, developing a programme of legacy stewardship, looking at ways of increasing donations of goods and income in our shops and identifying alternative income streams.

Increased Demand for Hospice Services

It is estimated that 50% of people with palliative care needs are not met by those working in palliative care services. There is also a growing population in East Hertfordshire, who are living with more morbidities. We are also aware that some groups who are more difficult to engage are not aware of services. Our view is that everybody should be able to access to palliative care services. This could lead to increased demand. We will continue to look at ways in which we can support more people, using technology when it is appropriate.

Investment Returns

Returns from investments are now a contributor to the Charity's overall performance and are always a significant risk factor. Investment performance is regularly reviewed and an active relationship is maintained with the external advisors to mitigate investment risk.



Structure, Governance and Management

Isabel Hospice Limited is a registered charity and a company limited by guarantee without share capital and is governed by its memorandum and articles of association. The group includes a wholly owned subsidiary company, Isabel Hospice Trading Limited, through which its retail trading activities are carried out.

The Charity works in partnership with local GPs, the Hertfordshire and West Essex Integrated Care Board, local NHS hospitals, residential nursing and care homes and many other health care providers to ensure the highest quality care and support for our patients and their families.

The Board of Trustees normally operates a quarterly meeting cycle with sub committees meeting in the weeks before the main Board meeting. The sub committees have specific Terms of Reference which include oversight of key areas of the Charity's work. These are:

- Finance and Risk
- Clinical Quality and Education
- People
- Fundraising and Marketing

The retail operations are governed separately by the Board of Directors of our trading company, Isabel Hospice Trading Ltd. All directors are Trustees.

Board Performance

The Board aims to continuously improve its effectiveness. At the end of each meeting there is a reflection on what went well and what could have gone better.

Trustee Recruitment

One Trustee was appointed during 2022-23, following a success recruitment process.

Trustee Remuneration

Trustees' travel expenses are reimbursed if claimed. No Trustee was remunerated during the year and no Trustee had a beneficial interest in any contract with the Charity or its subsidiary during the year.

Trustee Liability

The liability of each Trustee, in the event of winding up, is limited to £10.

Executive Management

The Trustees delegate day-to-day management of the Charity to the Chief Executive and through that person to the Executive Team.

The following changes occurred to the Executive Team in 2022-23:

- **Clinical Director** - resigned 31st October 2022
- **Director of Clinical Services** - appointed 7th December 2022
- **Director of Finance and Resources** - resigned 1st April 2022; appointed 1st November 2022



Investment Policy

The Trustees have the power to make investments that are consistent with the aims and objectives of the Charity. Surplus resources are currently held in easy access accounts to furnish cash requirements and the Charity also maintains a longer term investment with Quilter Cheviot in a charity friendly scheme.

Fundraising Policy

The Trustees recognise that the Charity could not deliver its services without the support of the local community. It is the Charity's policy to form positive relationships with donors and it therefore seeks to adhere to high quality fundraising standards. Furthermore, the Charity does not accept donations from donors with interests that might conflict with the mission of the Charity.

Executive Remuneration

The Charity's approach to pay is consistent for our staff and the Executive team. Our policy is designed to enable us to attract, retain and motivate high performing Executive team members. It also aims to demonstrate to our stakeholders (particularly funders and service users) that our pay levels are set to support delivery of the Charity's aims and are an effective use of charitable funds.

The objectives of our pay policy are to:

- reward staff appropriately and enable the recruitment of a high calibre Executive Team
- ensure the proper use of the Charity's resources in accordance with its aims and within affordable limits based on the financial circumstances of the Charity
- be non-discriminatory, just and equitable in the evaluation of jobs and their remuneration by providing a stable framework for the remuneration of the Executive team
- operate within the law
- pay at a competitive level taking account of external market rates, with the aim being to set pay at the median level or above for comparable posts in the voluntary sector, subject to the Charity's financial position.

The Charity publishes the salary of its key management personnel within its annual report. The number of staff paid over £60,000 is also published in accordance with the Charity accounting requirements.

Executive pay is reviewed on an annual basis by the People Committee and is subject to approval by the Board of Trustees, which is responsible for ensuring proper application of our pay policy.

Future

The Hospice Board agreed a deficit budget for 2022-23 of £0.5m, however, the Hospice delivered a surplus of £0.3m due to good legacy and retail performance.

For 2023-24, the Hospice Board has again agreed a deficit budget, of £0.2m. This is expected to be a challenging year due to the general increase in cost of living, a significant real-term fall in NHS income and a tight labour market. The Board has in place plans to achieve surplus budgets in future years.



Fundraising Procedures Disclosure

Isabel Hospice Accounts to 31 March 2023 - Our Approach to Fundraising

Isabel Hospice is registered with the Fundraising Regulator. Our income is generated predominately thanks to the support of our community, including legacies, gifts in memory of family members who have died in our care, regular donations, our lottery, and individual fundraisers raising income at our or their own events.

Fundraising Practices

As part of our commitment to best practice, Isabel Hospice adheres to the fundraising Codes of Practice set by the Fundraising Regulator and the Institute of Fundraising. We aim to ensure that our fundraising is respectful, open, honest and accountable to the public.

The Charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its services. During the year, the Charity received no complaints about its fundraising activities.

We have a transparent policy regarding fundraising with vulnerable individuals. This fundraising policy states all the steps that should be followed to protect vulnerable people who offer support to the Charity, ensuring that they have the relevant capacity to enable them to make the decision to donate.

Fundraising Practices Review

All fundraising practices are framed within the values and principles of Isabel Hospice. Where expenditure is required to generate income, there is an analysis of the return on investment to ensure the Charity is able to make informed decisions regarding activities.

The fundraising team is internal and the Charity only uses third party fundraising organisations following significant levels of due diligence and regulatory checks.

Where we partner with corporates, due diligence is conducted and the amount of time and effort we need to put in versus the income we would likely receive is assessed. Clear parameters and responsibilities are then agreed between partners.

We ensure we are in line with the GDPR data protection regulations and all other relevant codes of conduct.

Fundraising Strategy and Plan

Our fundraising strategy and plan is reviewed and approved by the Trustees annually. Isabel Hospice is the brand name for our fundraising activities.

Supporters of Isabel Hospice are a key element in the fundraising activities and we are committed to employing a transparent and ethical approach to all our fundraising activities.



To ensure funds continue to be available to support the work of the Hospice, we maintain a broad base of funding sources. Isabel Hospice does not pressure supporters to make gifts and respects decisions to stop giving. The regulatory landscape for fundraising is evolving and we will continue to monitor and adapt with these changes. When we work with suppliers and agencies we ensure that they are fully registered with all the appropriate regulatory bodies, reviewing all their relevant policies as part of our robust procurement due-diligence. We monitor and record any complaints resulting from our fundraising practices, and an annual report is provided to our Fundraising Committee.

Fundraising, Communications and Marketing

Most voluntary income comes from the following sources: Legacies, Donations in Memoriam, Trusts, Events and Lottery Income.

Regulation

Isabel Hospice, which is registered with the Fundraising Regulator, follows the Regulator's Code of Fundraising Practice and abides by its Fundraising Promise. Three members of the Fundraising Team are members of the Institute of Fundraising.

Supporters have the option to request no further mailings and we abide by such requests immediately.

Individuals

Legacies account for a substantial proportion of Isabel Hospice's voluntary income. Legacy income is hard to predict, but the Charity aims to provide good service and utilise good publicity to enhance the income.

Donations in Memoriam

We continued to receive support from individuals and their families who support Isabel Hospice in memory of their loved ones who were cared for by the Hospice.

Events

We organised a number of successful fundraising events in the year in order to provide charitable income.

Lottery

Our in-house lottery continues to be well supported and continues to generate significant income for the Hospice.

Communications and Marketing Work

The Charity worked closely with others to market Isabel Hospice's services. We developed and widely implemented a new visual identity, multiple newspaper articles, advertising, newsletters and our digital social media presence on Twitter, Instagram and Facebook.



Legal Framework and Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Isabel Hospice Limited in 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then 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 and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation

The Trustees are responsible for keeping proper accounting records that 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. They are also responsible for safeguarding the assets of the charitable company and group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information, that the information is accurate and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up. The total number of such guarantees at 31 March 2022 was 11 (2021: 9). The Trustees are members of the Charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the Charity.



Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year.

The Trustees annual report has been approved by the Trustees on 6th September 2023 and signed on their behalf by:

Terry Philpott
Chair of Trustees



Reference and Administrative Information

Trustees:

The Trustees are also members and directors of the Company

T Philpott (Chair)
S Reddy (Vice Chair)
J Quinn
S Fuell
A Reeve
I Williams
D Perry
O Cholak
M Cottrell
R Chrome
D Shirley
I Ellis (Appointed 15th December 2022)

Secretary:

H Glenister

Executive Team:

H Glenister – CEO
T Koramoa – Director of Finance & Resources (Resigned 1st of April 2022)
R Keegan - Director of Finance and Resources (Joined 1st November 2022)
E Paske – Clinical Director (Resigned 31st October 2022)
A Kilduff - Director of Clinical Services (Joined 7th December 2022)
L Hopley - People Director
N Gilbert - Director of Income Generation and Marketing

Registered Office:

61 Bridge Road East Welwyn Garden City Hertfordshire
AL7 1JR

Registered Number:

03056823

Country of Incorporation:

(England and Wales) United Kingdom

Charity Registered Number:

1046826

Country of Registration:

England and Wales

Auditors:

Sayer Vincent
Sayer Vincent LLP Invicta House
108-114 Golden Lane London EC1Y 0TL

Principal Bankers:

The Co-operative Bank
St Paul's House 10 Warwick Lane
London
EC4M 7BP



Independent Auditor's Report

Opinion

We have audited the financial statements of Isabel Hospice Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 FRS 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 of the parent charitable company's affairs as at 31 March 2023 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group 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

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 Isabel Hospice Limited's ability to continue as a going concern for a 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 other information comprises the information included in the Trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 group 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.

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' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Trustees' annual report, including the strategic report, 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting 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 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the Trustees' annual report, the Trustees (who are also the Directors of the parent 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 the 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our 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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Judith Miller (Senior statutory auditor)

27 October 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

	Note	2023					2022			
		Unrestricted £'000	Legacy Reserve £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Income from:										
Donations and legacies	2	2,058	595	138	-	2,791	2,066	482	-	2,549
Charitable activities	3	2,223	-	-	-	2,223	1,994	681	-	2,675
Other trading activities	4	3,399	-	-	-	3,399	3,267	-	-	3,267
Total income		7,680	595	138	-	8,413	7,327	1,163	-	8,490
Expenditure on:										
Raising funds	5	3,220	-	-	-	3,220	3,261	-	-	3,261
Charitable activities		4,445	-	269	-	4,713	2,770	1,118	-	3,888
Total expenditure	5	7,665	-	269	-	7,934	6,031	1,118	-	7,150
Net income / (expenditure)		15	595	(131)	-	480	1,296	45	-	1,316
Transfers between funds		-	-	-	-	-	-	-	-	-
Net expenditure before other recognised gains and losses		15	595	(131)	-	480	1,296	45	-	1,316
Gain on disposal of investment property		-	-	-	-	-	-	-	-	-
Gains / (losses) on investments		(206)	-	-	-	(206)	(25)	-	-	(25)
Net movement in funds		(190)	595	(131)	-	274	1,271	45	-	1,316
Reconciliation of funds:										
Total funds brought forward		6,563	-	742	836	8,141	5,292	697	836	6,825
Total funds carried forward		6,373	595	611	836	8,415	6,563	742	836	8,141

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 20.

Balance sheet

Company no. 03056823

As at 31 March 2023

	Note	The group		The charity	
		2023 £'000	2022 £'000	2023 £'000	restated 2022 £'000
Fixed assets:					
Tangible assets	10	2,885	3,103	2,770	2,998
Investments	11	2,231	2,436	2,231	2,436
		5,115	5,539	5,001	5,434
Current assets:					
Stock		81	6	-	-
Debtors	12	867	880	1,247	1,588
Short term deposits		500	349	500	349
Cash at bank and in hand		2,490	2,276	1,977	1,408
		3,939	3,510	3,724	3,345
Liabilities:					
Creditors: amounts falling due within one year	13	555	849	378	703
Net current assets		3,384	2,661	3,346	2,641
Total assets less current liabilities		8,499	8,200	8,347	8,075
Provisions for liabilities	15	84	59	26	-
Total net assets		8,415	8,141	8,321	8,075
Funds:	20				
Unrestricted income funds:					
General funds		94	2,979	-	2,485
Designated funds		6,874	3,584	6,874	3,584
Total unrestricted funds		6,968	6,563	6,874	6,069
Endowment funds		836	836	836	836
Restricted funds		611	742	611	1,170
Total funds		8,415	8,141	8,321	8,075

Approved by the trustees on 6 September 2023 and signed on their behalf by

Terry Philpott
Chair of Trustees

Consolidated statement of cash flows

For the year ended 31 March 2023

	2023 £	£	2022 £	£
Cash flows from operating activities		390		2,324
Cash flows from investing activities:				
Purchase of property, plant and equipment	(28)		(347)	
Proceeds from disposal of property, plant and equipment	2		-	
Movement on short term deposits	(151)		(349)	
Purchase of investments	-		(2,143)	
Net cash (used in) investing activities		(177)		(2,839)
Change in cash and cash equivalents in the year		213		(515)
Cash and cash equivalents at the beginning of the year		2,276		2,791
Cash and cash equivalents at the end of the year		2,489		2,276

Notes to the cash flow statement

Reconciliation of net income to net cash flow from operating activities

	2023 £'000	2022 £'000
Net income (expenditure) (as per statement of financial activities)	274	1,316
Adjustments for:		
Depreciation charges	242	299
(Gains)/losses on investments	206	25
(Increase) /Decrease in stocks	(75)	(4)
Decrease/(Increase) in debtors	12	224
(Decrease)/Increase in creditors	(294)	429
Increase in provisions	25	35
Net cash provided by operating activities	390	2,324

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies

a) Statutory information

Isabel Hospice is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 61 Bridge Road East, Welwyn Garden City, Hertfordshire, AL7 1JR.

b) Basis of preparation

The financial statements 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 (FRS 102) (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charitable company and its subsidiary Isabel Hospice Trading Limited on a line by line basis. The trading company is limited by guarantee and is therefore not owned by the charity. Nonetheless its results have been consolidated as it trades for the benefit of the charity and the two companies are managed on a unified basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Charity had another good financial year in 22-23 and continued to build up reserves for its property move and inpatient unit development.

Despite investment losses in the year in excess of £200k, the Charity recorded a surplus of £298k and cash and investment balances rose in the year from £5.0m to £5.2m.

The sale of the head office, Milan House, is likely to happen within the financial year 23-24 and the Charity is actively seeking a retail and warehouse building that better suits its operational requirements now, and also provides flexibility for the managed growth it is working towards in the future. It is also planned to develop and modernise the inpatient unit in Welwyn Garden City.

NHS income continues to fall in real terms and high inflation will particularly affect the Charity through pay rise agreements and utility cost increases. These are budgeted to result in a loss of £221k in 23-24. The Charity has sufficient reserves to manage this. A clear plan of action is underway to increase direct fundraising to bridge the growing gap between the cost of charitable services provided and NHS income.

It is expected that the financial year 24-25 will show significant bottom-line improvement, and with the continuing support of philanthropic organisations and their provision of targeted grants, it is not anticipated that there will be a need to cut services.

The Charity has sufficient working capital to provide a contingency if required and the Trustees are satisfied that there are no unmanaged material uncertainties impacting the Charity's ability to remain a going concern for the coming 12 months.

1 Accounting policies (continued)

e) Income

Income (which excludes VAT) is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or when the donor has specified that the income is to be expended in a future period.

1. Clothing and other items donated for resale are included as incoming resources when they are sold.
2. Facilities, services and assets donated for use by the Charity are recognised as incoming resources, at their value to the Charity, when receivable. No amounts are included in the financial statements for the very substantial assistance provided by volunteers.
3. Income from the lottery is recognised as members participate in draws.
4. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.
5. Income from fundraising events organised by the Charity centrally are recognised when funds are received.
6. Income from charitable activities comes from service contracts and grants and is subject to specific performance conditions. Such income is recognised as it is earned.
7. Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Endowment fund is an expendable endowment arising from a legacy to the Hospice. The legacy gives the trustees discretionary powers to use the endowment to fund capital projects. Any income from the endowment is unrestricted and may be used for the general purposes of the charity.

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of medical, in-patient care and community care undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this Support and governance costs are re-allocated to each of the activities based on direct costs attributable to each activity.

- | | |
|--------------------|-----|
| ● Medical | 3% |
| ● In-patient care | 24% |
| ● Community care | 20% |
| ● Support services | 12% |
| ● Raising funds | 40% |

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|--|---|
| ● Short Leasehold Property | on a straight- line basis over the shorter of duration of the lease and useful economic life. |
| ● Plant, Machinery equipment and vehicles. | at varying rates between 10% and 33% on cost. |

The group's policy is to revalue freehold and long leasehold shops periodically so that their carrying value in the accounts represents market value. The gains and losses arising from these revaluations are unrealised and are disclosed separately in the SOFA.

The group's policy is to depreciate revalued properties over a period not exceeding fifty years but, as the residual values of the properties is very high, the cumulative charge for depreciation is immaterial and therefore no charge is included in these accounts.

The group does not revalue freehold properties used for direct charitable purposes. These buildings (but not land), and related improvements, are depreciated over their estimated useful lives, which have been assessed to vary between ten and fifty years.

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies (continued)**o) Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

p) Debtors

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

q) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

r) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

s) Creditors and provisions

Creditors and provisions 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 to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

t) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

u) Pensions

The group contributes to a number of defined contribution pension schemes and to the NHS pension scheme.

The NHS pension scheme is a multi-employer defined benefit scheme and the assets of the scheme are held separately from those of the charities in an independently administered fund. The Charity is unable to identify its share of this scheme's assets and liabilities and is therefore, as permitted by FRS 102, treated as if it were a defined contribution pension scheme. Pension contributions payable for the year to the various pension schemes are charged to the SOFA.

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Legacies	1,765	-	1,765	1,202	-	1,202
Donations in memoriam	227	-	227	286	-	286
Other donations	661	138	799	579	482	1,061
	<u>2,653</u>	<u>138</u>	<u>2,791</u>	<u>2,066</u>	<u>482</u>	<u>2,549</u>

Contingent assets, relating to legacies which have been notified but do not yet meet the income recognition criteria detailed in note 1 of the financial statements, amount to £11,000 (2022: £645,500).

Notes to the financial statements

For the year ended 31 March 2022

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Main CCG contract	1,969	-	1,969	1,858	-	1,858
Other NHS income	30	-	30	15	-	15
Provision of staff and sundry other income	224	-	224	121	681	802
	2,223	-	2,223	1,994	681	2,675

The total amount claimed under the government Job retention scheme is £nil (2022: £13,300), this was all included within the charity.

4 Income from other trading activities

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Fundraising events	488	-	488	422	-	422
Charity shop income	2,672	-	2,672	2,532	-	2,532
Lottery income	235	-	235	214	-	214
Retail, Hospitality and Leisure Government	3	-	3	99	-	99
	3,399	-	3,399	3,267	-	3,267

Notes to the financial statements

For the year ended 31 March 2023

5a Analysis of expenditure (current year)

	Charitable activities						2023 Total £'000	2022 Total £'000
	Raising funds £'000	Medical £'000	In-Patient Care £'000	Community Care £'000	Support Services £'000	Governance costs £'000	Support costs £'000	
Payroll	1,575	209	1,053	1,081	363	-	965	4,782
Premises	570	-	213	108	-	-	99	1,029
Shop expenses	244	-	-	-	-	-	-	226
Transport	17	-	-	-	-	-	-	12
Event costs	-	-	-	-	-	-	-	42
Medical Supplies	-	-	87	-	-	-	-	69
Catering	-	-	98	-	-	-	-	99
Other Costs	289	3	96	39	479	-	69	644
Audit and Accounts preparation fees	-	-	-	-	-	42	-	32
Other Staff costs	25	15	60	24	38	-	72	247
	2,721	227	1,607	1,252	880	42	1,205	7,182
Support costs	482	36	289	241	157	-	(1,205)	-
Governance costs	17	1	10	8	5	(42)	-	-
Total expenditure 2023	3,220	264	1,906	1,501	1,042	-	-	
Total expenditure 2022	3,261	319	1,791	1,240	524	-	-	7,182

5b Analysis of expenditure (prior year)

	Charitable activities						Support costs	2022 Total
	Raising funds	Medical	In-Patient Care	Community Care	Support Services	Governance costs		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Payroll	1,554	189	968	927	410	-	734	4,782
Premises	663	-	228	52	-	-	86	1,029
Lottery prizes	-	-	-	-	-	-	-	-
Shop expenses	226	-	-	-	-	-	-	226
Transport	12	-	-	-	-	-	-	12
Event costs	42	-	-	-	-	-	-	42
Medical Supplies	-	37	32	-	-	-	-	69
Catering	-	-	99	-	-	-	-	99
Other Costs	161	1	102	8	5	-	367	644
Audit and Accounts preparation fees	-	-	-	-	-	32	-	32
Other Staff costs	22	27	39	20	34	-	105	247
	2,680	254	1,468	1,007	449	32	1,292	7,182
Support costs	581	65	323	233	75	-	(1,292)	-
Governance costs	-	-	-	-	-	-	-	-
Total expenditure 2022	3,261	319	1,791	1,240	524	32	-	7,182

Notes to the financial statements

For the year ended 31 March 2023

6 Net income / (expenditure)

This is stated after charging:

	2023 £	2022 £
Depreciation - owned assets	242	299
Operating leases - rent	342	367
Auditor's remuneration (excluding VAT):		
Statutory audit	25	24
Non-audit services	7	8
	616	698

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	4,547	4,167
Redundancy and termination costs	8	5
Social security costs	413	358
Pension contributions	277	251
	5,245	4,781

The average number of employees, including part-time staff, analysed by function was:

	FTE 2023 No:	Headcount 2023 No:	FTE 2022 No:	Headcount 2022 No:
Charitable activities				
Medical	2	4	2	4
In-Patient Care	23	40	24	40
Community Care	24	34	22	32
Other Patient Services	10	14	9	12
Total	59	92	57	88
Costs of raising funds				
Fundraising	12	14	11	13
Charity shops	45	78	44	65
Support Services	18	22	16	21
Total	75	114	72	99

	2023 No.	2022 No.
£60,000 - £69,999	3	0
£70,000 - £79,999	4	3
£80,000 - £89,999	-	1
£90,000 - £99,999	-	-
£120,000 - £129,999	-	-

For one of these employees (2022: one employee), the charity made a pension contribution of £3,179 (2022: £5,236) to a defined pension contribution scheme.

Total employee benefits (including pension contributions and employer's national insurance) received by key management personnel amounted to £485,947 (2022: £298,788).

8 Trustee remuneration and related party transactions

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling nil (2022: Nil) incurred by nil (2022: Nil) members relating to attendance at meetings of the trustees.

The aggregate value of all unrestricted donations from related parties (excluding the gift aid receivable from Isabel Hospice Limited) amounted to nil (2022: £1,924).

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Isabel Hospice Trading distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2023 £'000	2022 £'000
UK corporation tax at 19%	-	-

Notes to the financial statements

For the year ended 31 March 2023

10 Tangible fixed assets

	Freehold property £'000	Short leasehold £'000	Plant machinery £'000	Total £'000
The group				
Cost or valuation				
At the start of the year	3,770	795	358	4,923
Additions in year	-	28	-	28
Disposals in year	-	(34)	(16)	(50)
At the end of the year	3,770	789	342	4,901
Depreciation				
At the start of the year	1,162	598	62	1,823
Charge for the year	105	54	83	242
Eliminated on disposal	-	(32)	(16)	(48)
At the end of the year	1,267	620	129	2,016
Net book value				
At the end of the year	2,503	169	213	2,885
At the start of the year	2,608	197	367	3,104
The charity				
Cost or valuation				
At the start of the year	3,770	304	358	4,432
Additions in year	-	9	-	9
Disposals in year	-	-	(16)	(16)
At the end of the year	3,770	313	342	4,425
Depreciation				
At the start of the year	1,162	240	62	1,465
Charge for the year	105	18	83	206
Eliminated on disposal	-	-	(16)	(16)
At the end of the year	1,267	258	130	1,655
Net book value				
At the end of the year	2,503	55	212	2,770
At the start of the year	2,608	64	103	2,774

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 March 2023

11 Investments

	The group		The charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Fair value at the start of the year	2,436	318	2,436	318
Additions at cost		2,143		2,143
Disposal proceeds	-	-	-	-
Net gain / (loss) on change in fair value	(206)	(25)	(206)	(25)
Fair value at the end of the year	2,231	2,436	2,231	2,436

Investments comprise:

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Shares listed on the London Stock Exchange	2,231	2,436	2,231	2,436

12 Debtors: amounts falling due within one year

	The group		The charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	restated £'000
Trade debtors	40	32	35	27
Prepayments	159	168	66	67
Other debtors	151	166	84	86
Accrued income	518	514	516	509
Due from Isabel Hospice Trading Limited	-	-	546	899
	867	880	1,247	1,588

13 Creditors: amounts falling due within one year

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	284	519	156	417
Other creditors	25	26	25	26
Taxation and social security	143	143	119	122
Accruals	96	149	71	127
Deferred income (note 15)	7	11	7	11
	555	849	378	703

Notes to the financial statements

For the year ended 31 March 2023

14 Provisions for liabilities

	The group		The charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
At 1 April 2021	58	24	-	-
Added in the year	26	34	26	-
At 31 March 2022	84	58	26	-

All leased premises are kept in a good state of repair, but the company has obligations under its leases to redecorate periodically and to leave the premises in a previously-agreed condition. Having assessed the current condition of its properties, the directors consider that, at the balance sheet date, the cost of any such remedial works would not exceed £77,698 (2022: £58,935) and so a provision for this sum has been included in these accounts.

15 Deferred income

Deferred income of £11k represents lottery receipts for draws that have not taken place at the balance sheet date (2022: £2k, 2021: £60k), and lottery licence fee income (2022: £9k, 2021: £12k).

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Balance at the beginning of the year	11	72	11	72
Amount released to income in the year	(11)	(72)	(11)	(72)
Amount deferred in the year	7	11	7	11
Balance at the end of the year	7	11	7	11

Notes to the financial statements

For the year ended 31 March 2023

16 Isabel Hospice Trading Limited

The principal activity of Isabel Hospice Trading Limited (whose company number is 02417607) is the sale of purchased and donated articles. A summary of the trading results is shown below:

	2023	2022
	£'000	£'000
Turnover and other operating income	2,561	2,507
Cost of sales and administrative costs	(2,305)	(2,202)
Net profit	256	304
Total retained earnings brought forward	94	94
(Loss) / Profit for the financial year	256	304
Gift aid distribution to the charity	(256)	(304)
Total retained earnings carried forward	94	94

During the year, the trading company paid to the Parent Charity £160,000 (2021: £160,000) for property rent and support services provided by Charity.

The assets and liabilities of the trading subsidiary were:

	2023	2022
	£'000	£'000
Tangible assets	114	134
Current assets	760	1,065
Creditors within one year	(722)	(1,045)
Provisions for liabilities	(58)	(59)
Aggregate net assets	94	94

17 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2023	2022
	£'000	£'000
Gross income	5,840	6,020
Result for the year	52	912

18 Pension scheme

NHS Pension Scheme

The charity operate an NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employees, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable each body to identify its share of the underlying scheme assets and liabilities. Therefore the scheme is accounted for as if it were a defined contribution scheme.

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are 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, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. 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 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 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.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

Notes to the financial statements

For the year ended 31 March 2023

19a Analysis of net assets between funds (current year)

	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Fixed assets		2,292	593	-	2,885
Investments	2,231	-	-	-	2,231
Net current assets	1,431	1,100	18	836	3,385
Provisions for liabilities	(59)	-	-	-	(59)
Net assets at 31 March 2023	3,603	3,392	611	836	8,441

19b Analysis of net assets between funds (prior year)

	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Fixed assets		2,484	619	-	3,103
Inv	2,436	-	-	-	2,436
Net current assets	602	1,100	123	836	2,661
Provisions for liabilities	(59)	-	-	-	(59)
Net assets at 31 March 2022	2,979	3,584	742	836	8,141

Notes to the financial statements

For the year ended 31 March 2023

20a Movements in funds (current year)

	At 1 April 2022 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2023 £'000
Endowment funds	836	-	-	-	836
Restricted funds:					
<i>Capital development funds:</i>					
Building appeal	619	-	(26)	-	593
<i>Service delivery funds</i>					
Community Services Big Lottery Fund	-	12	(12)	-	-
Equipment	-	10	(10)	-	-
Family Support	1	62	(45)	-	18
Other	107	47	(154)	-	-
Training	14	7	(21)	-	-
Total restricted funds	742	138	(269)	-	611
General funds	2,979	7,680	(7,871)	(2,695)	94
Designated funds:					
Fixed Asset fund	2,484	-	-	(192)	2,292
Risk Reserve Fund	1,100	-	-	-	1,100
Legacy Reserve	-	595	-	-	595
Building Reserve	-	-	-	2,887	2,887
Total unrestricted funds	6,563	8,275	(7,871)	-	6,968
Total funds	8,141	8,413	(8,139)	-	8,415

The narrative to explain the purpose of each fund is given at the foot of the note below.

20b Movements in funds (prior year)

	At 1 April 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2022 £'000
Endowment funds	836	-	-	-	836
Restricted funds:					
Hospice UK	-	681	(681)	-	-
<i>Capital development funds:</i>					
Building appeal	645	-	(26)	-	619
<i>Service delivery funds</i>					
Community Services Big Lottery Fund	-	124	(124)	-	()
Equipment	-	15	(15)	-	
Family Support	-	54	(51)	-	2
Day Services	-	4	(4)	-	()
Other	36	270	(199)	-	106
Training	16	16	(18)	-	14
Total restricted funds	697	1,163	(1,118)	-	742
General funds	1,783	7,327	(6,056)	(75)	2,979
 Designated funds:					
Fixed Asset fund	2,409	-	-	75	2,484
Risk Reserve Fund	1,100	-	-	-	1,100
Total unrestricted funds	5,292	7,327	(6,056)	-	6,563
Total funds	6,825	8,490	(7,174)	-	8,141

20 General funds

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 the other purposes.

Designated funds

The Fixed Asset fund is represented by fixed assets, net of associated liabilities and after deducting amounts included within the revaluation reserve and those other assets where use has been restricted. Transfers are made between funds to maintain the carrying value.

As a result of the material surplus generated by the Charity in the 2020/21 financial year, the Trustees have decided to allocate some of the surplus to replenish the Risk Reserve Fund up to the minimum required of £1.1m. The risk reserves fund is held to manage the risk of potential fluctuations or underperformance in key income streams.

The building reserves fund has been established as the Hospice saves for development, extension and modernisation of the In Patient Unit, and a new retail/ warehouse/ HO building. The new retail and HO building will give us the efficiencies and other improvements that come from working on one site, as well as providing a much needed increase in warehouse space for our expanding retail estate. As at the date of the Accounts early estimates are if the retail building is purchased the cost of both buildings, net of sale of the current retail / HO building, along with moving fees and other ancillary costs is likely to match or exceed the amount of this fund. The aim is to secure buildings fit for the hospice for decades to come in a financially prudent manner.

The legacies reserve was set up in 22-23 as the amount of legacy income above budget in that year. The intention is to add to it whenever legacy income, which is highly unpredictable in nature, exceeds budget. The Board will ensure this money can only be spent on key projects providing long-term benefit for the users of the Hospice's services.

Endowment funds

The endowment fund is an expendable endowment arising from a legacy to the Hospice. The legacy gives the trustees discretionary powers to use the endowment to fund capital projects. Any income from the endowment is unrestricted and may be used for the general purposes of the charity.

Restricted funds

The Building Appeal fund represents the proceeds of a special appeal that have been utilised to construct an annex to the In-Patient Unit. The balance is reduced as the related assets are depreciated.

The Community Services fund comprises a grant from the Big Lottery Fund to help expand a "hospice at home" service and various small grants to help fund the provision of patient care in the community and at home. The grants are principally used principally to help pay the staff employed for those purposes.

The Equipment Fund comprises donations and grants received to purchase specific items of equipment.

The Family Support fund has been established by a grant from BBC Children In Need and other smaller grants to help fund the provision of bereavement counselling. Again the grants are principally used to help pay the staff employed for that purpose.

The Day Services fund is represented by grants received to help fund the provision of specific services at the Charity's day centres.

The Welfare Benefits Service fund was created by one specific grant to help fund the provision of welfare benefits advice to the terminally ill and their carers; the Charity has engaged the Citizens Advice Bureau to provide this service.

The Training fund was established from grants received to assist with the provision of clinical training of doctors and nurses throughout the charity.

Hospice UK Grants have been made available to allow the hospice to make available bed capacity and community support from April 2021-March 2022, to provide support to people with complex needs in the context of the COVID-19 situation.

Transfer of funds relate general funds cover of over spend on restricted projects and replenishment of the Risk Reserve Fund.

21 Operating lease commitments

The following payments are committed to be made by the group and the Charity for land and buildings:

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Less than one year	177	283	19	17
One to five years	401	654	23	52
Over five years	654	817	-	-
	1,231	1,754	42	69

22 Legal status of the charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.