

Company Number: 03056823
Charity number: 1046826

Isabel Hospice Limited

Trustees' Annual Report and Financial Statements
For the Year Ended 31 March 2024

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Foreword from the Chair

The financial year 2023-24 has seen an 11% increase in people (patients and family members) supported by Isabel Hospice, rising from a total of 1894 in 2022-23 to 2111 of whom 1597 (2022-23: 1443) were patients and 747 (2022-23: 648) were family members. This followed a community engagement programme working with partners in Eastern Hertfordshire and the majority of patients were supported in the community by our Hospice at Home and Clinical Specialist Teams (2023-24: 1727; 2022-23: 1630). Being in the community is often people's preferred place of care and death. There was an increase in non-cancer referrals to 44% from 37% (2022-23) and this year the Hospices caseload includes 50 patients with neurological conditions.

During the year we also have extended our care home education project to all 111 care homes in East and North Herts, funded by the NHS. We continue to deliver an extensive education programme working with partners and were successful in applying for funds from Hospice UK for a frailty project. This project took a co-production approach to create a free self-selecting programme of 8 education sessions to reflect the main risk factors of frailty.

Our work started on Equity, Diversity and Inclusion (EDI) in 2022-23 has continued with an EDI Forum now established which is overseeing strategy and an action plan to raise awareness of EDI.

Financially, Isabel Hospice started the year with a budget deficit but ended with a surplus of £302k. This was largely due to legacies exceeding budget, for which we are extremely grateful. The Hospice is very dependent on the kindness of people choosing to leave funds to Isabel Hospice.

Both fundraising and retail delivered a significant increase on income compared with the previous year, but retail experienced additional costs, so the contribution to the charity was less than expected.

Using the Charity Retail Association's Toolkit, our shops played a pivotal role in improving people's lives and wellbeing in 2023-24. This included the equivalent of £83,149,192 of social value being generated across our shops. Almost half of the social value was linked to giving back to others and the planet.

During the year a new building was acquired – 99 Bridge Road East, Welwyn Garden City, Herts. This better meets our needs with less office space and more warehouse space and work is underway to fit out for Isabel Hospice. We plan to relocate from Milan House to the new accommodation by the end of 2024 and to sell or lease out Milan House.

Looking forward, raising funds continues to be a challenge. During the year the Board considered additional income streams and agreed to progress with a cleaning franchise arrangement in 2024-25. The surplus we hope to generate will contribute to the Charity.

The work of Isabel Hospice could not be delivered without its amazing staff, volunteers and community. In 2023-24, we employed 239 staff (160 whole time equivalent) and have 645 volunteers who gave 101,400 hours of time which equates to £1,049,680 based on living wage. The Board would like to thank the staff for all they do; all have a role to play in delivering our vision of outstanding palliative care for all. We would also like to thank our volunteers who so willingly give their time, and our supporters in the community for their generosity in all sorts of ways but in particular, by providing the much needed funds to enable the Hospice to continue to deliver its services.

Terry Philpott
Chair

Date 4 September 2024



Trustees' Annual Report for the Year Ended 31 March 2024

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 2024.

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.

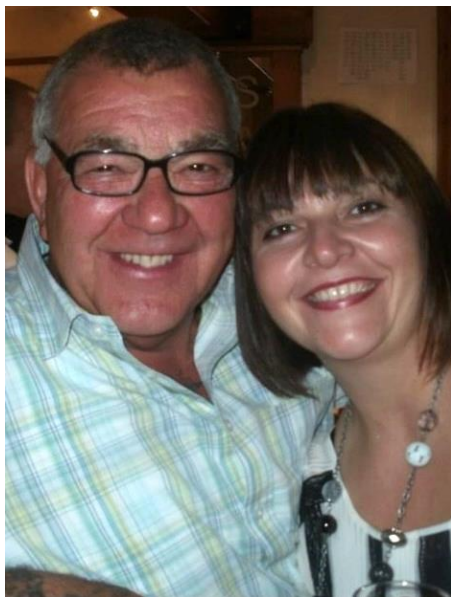
Objectives and Activities

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.

Cheryl's Story

When my dad, Ray, was diagnosed with oesophageal cancer early last year, the news hit us hard. By June, after learning that neither surgery nor chemotherapy were viable options due to his COPD, he chose to focus on quality of life rather than undergo radiotherapy treatment that promised little benefit.



This decision meant he had limited time left, and he wanted to spend it meaningfully, surrounded by family, with the support of Isabel Hospice.

Following his referral, Isabel Hospice originally advised Dad to be admitted to their In-Patient Unit to get his symptoms and dehydration under control, however they ultimately respected his wishes to stay at home.

Dad was cared for at home by Alison, a community nurse from Isabel Hospice. Alison was a very special person and provided my dad with guidance and options without ever pushing him toward decisions he wasn't comfortable with. She was a great support to the family as well, assuring us we could call her at any time if needed.

But as Dad's dehydration intensified, it became clear that In-Patient care was necessary. With Dad's consent, Alison quickly arranged a bed for him in the Isabel Hospice In-Patient Unit and he walked in on the Sunday of that week.



The days Dad spent in the In-Patient Unit were unexpectedly uplifting for him. Not only were the nurses amazing, taking all his needs and wishes into account. He also formed a cherished friendship with another patient, Tom, who Dad had spotted in the smoking area of the courtyard. Despite Dad's advanced illness at this stage, his chats with Tom discussing their many common interests brought him great joy and comfort during his final days.

The staff at the Isabel Hospice In-Patient Unit were incredibly supportive, not just to my dad but to our entire family. Most importantly, they made it possible for my mum, my sister, and I to stop being his carers and just be a family again. We were so grateful for the opportunity to enjoy those final moments with Dad.

The Isabel Hospice staff created a comforting environment for us at the In-Patient Unit where volunteers and nurses often joined us for chats, bringing tea and cake, and checking in on our wellbeing regularly. Alison even continued to visit Dad at the In-Patient Unit in between her home visits to other patients in the community.

Mum didn't leave Dad's side, choosing to stay in the chair at his bedside. The nurses offered my sister and I one of the In-Patient Unit's flats to stay in, allowing us to get some rest while still being close to Dad until the end.

My family and I have nothing but praise for the staff and volunteers at Isabel Hospice, and in the end, Dad said that he had made the right decision by going in to the In-Patient Unit.

Our Values

Our values are at the heart of how we work in every setting – how we support patients and their families, how we support our staff and volunteers, and work within teams, 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, and other professionals.
- Every member of staff and every volunteer plays a crucial role in making our care possible.
- We work with our communities and our partners.



Our Services During 2023-24

We provided a wide range of services including an In-Patient unit for patients who have complex symptoms at the end of life; a community service which includes a team of Community Clinical Specialists who are available to give advice and support to patients and their families; a Hospice at Home Team providing support and nursing care in patients' homes and a Family Support counselling and Bereavement Service.

Our Living Well with Isabel services provide rehabilitative and wellbeing services to help manage the challenges of living with a life limiting illness. Our Compassionate Communities service facilitates coffee mornings, themed activity groups and neighbours to support loneliness.

Community Care

Clinical Specialists provide community care through hybrid telephone and face to face consultations. This year we significantly increased the number of face to face consultations, managing patients with more complex symptoms.

The Hospice at Home team of registered nurses, paramedics and healthcare assistants provide care to enable people to be cared for and die in their own home. We also introduced a new Healthcare Assistant telephone caseload, providing a welfare check for patients when their episode of care ended.

In-patient 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. We opened two extra beds from January to March 2024 to assist the wider healthcare sector with winter pressures.

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.

Living Well

We implemented the REACH-HF which is a new home-based, evidence-informed cardiac rehabilitation programme for people with heart failure and their caregivers, to help them manage their condition. This programme was led by our Heart Failure Nurse and Living Well team and 17 patients attended.



Compassionate Communities

This year, we took forward our community development approach to living well with frailty through collaboration and co-ordination of hospice care and local service providers. We took a co-production approach to create a free self-selecting programme of 8 education sessions to reflect the main risk factors of frailty; the programme was run 3 times over the year with 57 attendees.

Education

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

Our end-of-life care (EOLC) education programme provides training and support in EOLC to care homes across East Hertfordshire. This year we also extended that provision to care homes in North Hertfordshire.



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 do not discriminate on the grounds of gender, race, religion, marital status, family status, sexual orientation or disability. We treat all adults who are referred to our services, with no discrimination based on age.
- 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 is then appropriately 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.

To fund these activities, the Charity raises 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
- Participation in our lottery
- 16 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 Hertfordshire and West Essex Integrated Care Board that provides 27% of our income.

The Charity continues to rely on support from 645 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 and plans for achieving these 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 2023-24 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 2023-24	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 ✓ *Develop a marketing programme (with KPIs) to promote leaving of legacies *Increase our income *Reduce the % of total expenditure that are HO operating costs. *Review Governance structure to ensure it supports an agile business ✓ *Develop succession plans for employees ✓ *Establish and improve Carbon Footprint by introducing design and processes *Take forward Property Strategy	*Staff KPI metrics are at low levels – sickness turnover etc. *All Job Descriptions reviewed. *Learning, Development and Education charging for non-core services. *Marketing KPIs for organisation developed *Expenditure below budget *New legacy marketing implemented. *Governance framework reviewed, updated and agreed by the Board *Identified Additional Income Streams for Consideration by the Board. -Total Clean to be taken forward Property: -Milan House (Head Office) under offer -99 Bridge End Road (New HO Purchased).	By 2026 we will have: *Diversified into other income streams *Increased numbers of active volunteers to 75% of registered volunteers in month *Better understood our volunteer requirements and diversified our base to meet these needs *Met our KPI targets for employee satisfaction, (sickness, retention and empowerment etc.) *Ensured that expenditure is less than or equal to income *Maintained free reserves that are equivalent to 6 months of expenditure *Increased fundraising income to £2.7 million per annum *Improved the Carbon Footprint for all activities *Generated a trading company contribution in excess of £500,000 per annum *Increased the amount of supporter pence in the pound that goes towards patient care



			-Planning application submitted for development of In-patient Unit.	<p>*Delivered a property Strategy which includes:</p> <ul style="list-style-type: none"> • Sales of Milan House • Relocation into new premises (Retail and Head Office) • Extension and development of IPU
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Enable

The Challenge	Strategic Theme	What we will do	What we have done in 2023-24	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 as 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 *Now on OPAL 4 calls when System is Struggling *Review of Community Team *Established Telephone Wellbeing Calls after episodes of care finished. *Established Patient Participation Group – Your Hospice Your Voice to inform services *Reviewed measures to understand patient satisfaction *Assessed accreditation options. Not progressing at this time.	By 2026 we will have: *Delivered outstanding services *Identified 4 key success areas from staff survey and improved those vs 2021 results *Ensured that patient satisfaction remains above 95% *Virtualised 60% of our consultations *Delivered outstanding supporter and customer retail experiences

Engage

The Challenge	Strategic Theme	What we will do	What we have done in 2023-24	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	*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 ✓	*Commissioned by NHS to fund Care Home Education Project across East and North Herts. *Partnered with various organisations to deliver services – statutory and voluntary. Have University placements. *Started to build partnerships to enable a strong community presence *All mayors visited in 2023/24. *Regularly meeting Hospice CEOs to continue to influence with one voice. *Introduced Workplace for staff, Monthly Message from Helen for Volunteers. This is in addition to Team Meetings and Quarterly Update Meetings that are recorded.	By 2026 we will 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 following employee surveys



Achievements and Performance

The selected metrics listed below are illustrative of the scale and scope of the services provided. During 2023-2024, we embarked on a program of community engagement, working collaboratively with healthcare professionals across the region. This has improved awareness of hospice provision which has led to an 11% increase in the number of patients, family members and carers who accessed our services.

This year our clinical specialists significantly increased the number of face to face consultations from 1,532 to 2,494. The Hospice at Home team of registered nurses, paramedics and healthcare assistants supported 35% more patients. This has contributed to 93% of Isabel patients being able to die in their preferred place of death (PPD), up from 89%. We have also admitted more patients to our IPU this year, in part due to the opening of 2 further beds for a 3 month period.

Metric	March 2024	March 2023	March 2022	March 2021
Total people using our services	2,111	1,894	1,854	1,694
Patients	1,597	1,443	1,435	1,318
Family support clients*	747	648	564	488
Admissions to In-Patient Care	210	168	189	228
Patients cared for by Hospice at Home	424	315	357	359
Patients cared for by Clinical Specialists working in the community	1,303	1,215	1,233	1,115
Patients cared for at Living Well with Isabel (Day services)	349	316	274	231
Attendances at Living Well with Isabel sessions	2,144	2,641	2,701	1,715
Clients supported by Compassionate Communities	201	266	241	60
Cancer / other diagnosis	56%/44%	63%/37%	61%/39%	59%/41%
Average days from referral to death	131 days	160 days	142 days	133 days

*Family support clients – 382 were adult family members, 132 children and 233 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 2024-25

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

Consider how we can support more patients in our IPU

Each winter there is extra pressure on already stretched healthcare services. Patients remain in hospital for longer with increased bed days, poorer outcomes, and increased costs to the NHS.

Our IPU can accommodate 10 beds on a permanent basis with an increase in staffing establishment or for a fixed term period of 12 months. We are working with our Integrated Care Board and other healthcare partners to consider options to benefit all patients accessing care, support the flow of patients through urgent and acute care and reduce waiting lists.

Engage and integrate with the wider health and social economy

Develop service model to meet the needs of our community based on evidence data

We will aim to assess our current data and evaluate how our hospice services can effectively service the changing population needs of our Integrated Care System in Herts and West Essex and the wider community.

We anticipate that the demands on the health system are going to increase and the number of people requiring palliative care is going to increase substantially. We need to ensure that we understand our current and projected population so that we can plan our services and work collaboratively with other care providers to ensure all patients living with a life limiting illness can access and transition between appropriate services effectively.

Empower staff to deliver outstanding care

Embed rehabilitative palliative care and patient goals achieved within Outcomes and Assessment Collaborative (OACC) framework

Rehabilitative palliative care is centred on patients' personal goals and provides a culture of enablement, through which the multidisciplinary hospice team support patients to achieve their priorities. It optimises choice, independence, autonomy and dignity.

Rehabilitative palliative care has the potential to:

- Reduce disability and improve quality of life
- Reduce dependence, both on families, hospices and health and social care services.
- Reduce the need for hospital admission.
- Support earlier discharge from hospital or hospice services.
- Decrease or delay the need for admission to nursing homes

We will ensure that patients are given the opportunity to work with our staff to develop their goals and embed a rehabilitative approach to achieve those goals. Progress will be measured regularly through audit.



Engage to enable and empower a compassionate community

Art based approach to improve end of life care conversations and Advance Care Planning (ACP) by people experiencing homelessness

People who are experiencing homelessness and who have a palliative care need may face additional barriers which prevent them from accessing appropriate end of life care.

We have applied for and been approved funding, for a community programme to deliver a 'no barriers here' workshop. This will be taken forward in collaboration with YMCA in Hatfield. We will run 3 workshops for 16 residents and provide the opportunity to explore their end of life wishes through advance care planning using an art based approach.

The workshops will take place in their hostel and be attended by one of our Clinical Community Specialists which we hope will provide an introduction to hospice services.



Fundraising

Fundraising Achievements 2023-24

We are extremely grateful for all the financial support that we have received from our community during this period. Whilst embedding a new team and initiatives we have seen some incredible successes through this reporting period:

- We increased overall voluntary income, excluding legacies, by 29%.
- Individual giving saw a growth of 31% compared to 2022/23.
- In memory giving has grown significantly showing a 50% increase compared to 2022/23.
- Trusts & Foundations unrestricted grants have seen growth of 28% compared to 2022/23.
- Corporate donations saw growth of 15% compared to 2022/23.
- Gift Aid tax recovery grew by 80% compared to 2022/23.

Legacy income increased by 19% to £2.1m.

Income from fundraising events fell by 17%, as department resources were refocused in line with the strategy.

We recruited and embedded a new and energetic fundraising team and our volunteers helped us to maximise all opportunities.

We are grateful for the continued support that we receive from the Special Events Committee & Isabel Friends committee and our other long-term volunteers

Fundraising Objectives 2024-25

With the current landscape as it is our main objective is around growing supporters through our database with a focus on reactivating, attrition and retention

To gain a further insight into our demographics and their want/need to give. Utilising this knowledge to initiate new campaigns and activities to maximise growth.

Our key objectives for the year will be to:

- Raise £2.1m through fundraising activities
- Raise £1.3m through legacies
- Continue new streamlined fundraising activities and initiatives
- Improve supporter care to reach and engage with existing & new supporters.



Retail / Charity Shops

Retail Achievements 2023-24

The Retail/Charity shop business is overseen by the Board of Isabel Hospice Trading Limited, a wholly owned subsidiary of the Charity. We are extremely grateful for all the support that we have received from our community during 2023-24, 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 £2.9m income being raised (2022-2023: £2.6m), which exceeded budget by £136k. After expenditure, Isabel Hospice Trading Limited was able to contribute £58k to Isabel Hospice Limited as well as the £133k gift aid claimed on donations of items to be sold in the shops.

We have also finally been able to put a monetary figure against the social value that our shops bring to the local community. In 2023, our shops played a pivotal role in improving people's lives and wellbeing:

- £83,149,192 of social value was generated across our shops
- For every pound spent in our shops, £11.76 of social value was generated
- Almost half of the social value was linked to giving back to others and the planet
- The highest social value came from volunteers, totalling £3,177 per person

We also achieved the following:

- We continued the success of our sustainability initiative Tonnes of Care, which now has 45 local businesses and partners contributing bags of donations and preventing items from going into landfill. This initiative won the Make a Difference Green Award with BBC Three Counties in September 2023, as well as being finalists for the One Welwyn Hatfield Awards
- Our E Commerce department grows from strength to strength, now with over 30,000 followers and winner of the eBay Green Award (national competition)
- We opened a new high end Womenswear Boutique in Welwyn Village with positive feedback from the local community who have been delighted with our preloved clothing offer
- We increased sales of bought In goods from £56k last year to £122k, mainly driven by greetings cards and seasonal ranges for both summer and Christmas
- We introduced kilo clothing and bric-a-brac sales, a new way for our customers to purchase bags by the kilo for only £7

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

- We continue to struggle with volunteer recruitment
- Whilst the volume of donations have increased, the quality has deteriorated meaning we have to work harder to sell more items in order to generate the same income
- We have outgrown our current premises for central retail operations which has meant leasing another property as a short term measure
- Rent reviews across our retail estate have caused increases in expenditure



Retail Objectives 2024-25

The retail landscape is challenging across the sector, both in nonprofit and commercial sectors, with rising utility rates and premises costs coinciding with declining footfall and creating a more unpredictable market. However, we remain optimistic at Isabel Hospice and have opened a new shop in Bishop's Stortford that offers a great mixture of preloved clothing, accessories and homeware. It also includes a clearance section to support the cost-of-living increase affecting our customers.

Over the next year, there are plans to open additional new shops within our area as well as launching our new transactional website so customers are given wider and more convenient access to our unique preloved offer.

We will be focusing on generating good quality donations to sustain our growth plans and we will be requesting support from corporate partners and the generous public in order to do this, so we can continue to raise more income for our vital services whilst also promoting the circular economy and sustainable shopping.

We will also work closely with the People Team at Isabel Hospice to increase the number of volunteers who can support our operation, offering micro volunteering as well as longer term opportunities. We will continue to raise the profile of our retail activity. We will continue to celebrate the social value that our retail operations bring with the related benefits to our community, including donors, customers, volunteers and staff.



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. In 2023-24 we employed 239 staff (160 Whole Time Equivalent (WTE)). We benefit from the commitment of our 645 active volunteers which is an increase of 23% from the number of volunteers in 2022-23.

During 2023-2024 it was estimated that 645 volunteers gave 101,400 hours of their time during the year. This equates to £1,049,680 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 and expertise to the Hospice in a wide variety of areas including administration, retail activities, patient services and fundraising. The Board of Trustees would like to thank all volunteers for continuing to support Isabel Hospice.

Work that has been taken forward by the Isabel Hospice People Team is described below.

Staff and volunteer engagement survey

The fifth "Birdsong Survey" is being completed in May 2024. The key areas of focus are the following:

- Communication between teams
- Environment and sustainability
- Processes
- Staff well-being

Additionally, of particular interest when reviewing the data for this survey will be the following:

- Perception of the Hospice Leadership Teams and the Board
- Pay and rewards
- Confidence that the Hospice uses supporters' donations effectively

The results will be reported back to the Board in September 2024 and a review of our approach to Staff and Volunteers surveys will also be conducted, to ensure best fit for Isabel Hospice and maximum value added.

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 2023-24 we undertook the following activities for Equality, Diversity & Inclusion (EDI):

- We developed an EDI Strategy.
- The EDI Forum is now well established and has active remit and action plan.
- Ongoing EDI actions are wide ranging and include celebration of diverse groups in the Hospice.
- An EDI Trustee Champion has been established.
- We reviewed recruitment/selection process and website to support inclusion and diversity.
- We ensured that allyship training was made available to staff.
- We provided training for clinical staff in managing patients for differing backgrounds and communities



Additional projects undertaken in 2023-2024

These included:

- The rollout of an electronic HR management system for staff and volunteers.
- Improving recruitment across the Hospice, particularly in skills shortage areas
- Increasing volunteer numbers across the Hospice, achieving a 23% increase

Objectives for 2024-2025

These include:

- Rolling out a new electronic staff recruitment, selection and onboarding system. Evaluating the impact of this on efficiencies.
- Supporting the move to the new Head Office building.
- Exploring how Learning and Development may offer more for income generation in context of new building etc.
- Engaging with different demographics to meet significant increase in retail volunteer requirements



Financial Review

The financial statements for the year ended 31 March 2024 comprise the results for the Charity and its wholly owned subsidiary Isabel Hospice Trading Ltd.

The consolidated charity results show a 12% increase in income in the 2023-24 financial year. Income was £9.4m, and the net surplus was £302,000.

Reserves grew by 4% during the 2023-24 financial year. The charity has designated certain reserves to support future growth.

Income

Total consolidated gross income for the year (excluding gains and losses on the investment portfolio) increased by £970,000 (+ 12%) to £9.4m (2022-23: £8.4m).

Income from fundraising donations and recognised legacies was up 23% to £3.4m (2022-23: £2.8m). The principal drivers were:

- Legacy income increased by 19% to £2.1m.
- In memory donations grew by 50% to £342,000.
- Gift Aid tax recovery was 80% higher at £160,000, following a documentation and process review.

Income from Charitable Activities which includes NHS and investment income, was up 4% to £2.3m (2022-23: £2.2m). The principal driver was a 7% increase in NHS grants due to successful applications related to clinical services. The core palliative care grant rose by less than inflation.

Income from Other Trading Activities increased by 7% to £3.6m (2022-23: £3.4m). The principal drivers were:

- A 12% growth in charity shop income to £3.0m (2022-23: £2.7m)
- A 17% reduction in fundraising event income to £406,000 (2022-23: £488,000).

In the future, the focus of the Charity's income generation strategy will be to develop fundraising and retail income, as well as identifying alternative sources of income, in response to the likely reduction in NHS income in real terms.

Costs

Total consolidated costs increased by £1.2m (+16%) to £9.2m (2022-23: £7.9m). Within this figure, salary costs rose by £1.0m (+19%), and other costs rose by £231,000 (+9%).

The higher salary costs were principally due to:

- A 6% pay increase that was paid in October 2023.
- The increase in total retail salary costs (£350,000) due to the opening of new shops and the introduction of evening and weekend shifts at ecommerce activities.
- The increase in fundraising salary costs (£135,000) due to the restructuring and strategic investment in the team.
- The increase in community clinical salaries (£300,000) due to new, funded clinical services, and investment in the community team.



Balance Sheet

At 31 March 2024, the Group held net assets of £8.7m (2022-23: £8.4m). Comparing to the balance sheet at 31 March 2023:

- Fixed tangible assets rose by £2.9m to £5.8m (2022-23: £2.9m) following the purchase of the freehold of a building in Welwyn Garden City. The building was purchased in January 2024 and cost £3.0m.
- Investments fell by £1.4m to £843,000 (2022-23: £2.2m) due to sales of investments to fund the property purchase.
- Cash balances fell by £919,000 to £1.6m (2022-23: £2.5m) due to the use of financial resources to fund the property purchase.
- Net current assets fell by £1.2m to £2.2m (2022-23: £3.4m), due to the reduction in cash balances.

Reserves

Total consolidated funds at 31 March 2024 were £8.7m. (2022-23: £8.4m).

Unrestricted consolidated funds totalled £7.8m (2022-23: £7.0m). Unrestricted funds include £7.8m of designated funds (2022-23: £6.9m). The designated reserves comprise:

- a fixed asset reserve fund to cover the replacement of operating assets;
- a risk reserve fund to allow the charity to respond to fluctuations in income;
- a legacy reserve fund to ensure that legacy receipts are used to support long term charity growth; and
- a building reserve fund to provide funding for future building projects, most notably the planned rebuilding and refurbishment of the in-patient building.

Restricted consolidated funds fell to £56,000 (2022-23: £611,000) following the reclassification of a restricted fund. Restricted income comprises funds received from donors for specific purposes, where the funds are not available for general charity purposes. The balance at the year end comprises the portion of the restricted donations which remains to be spent.

Endowment funds remained stable at £836,000.

Risk Reserves

The Trustees have chosen to adopt a risk-based approach to income streams in setting a target level for risk reserves, assessing the amount of each income stream which could be at risk in any one year. This approach combines with our review of strategic risks to mitigate many of the funding risks identified. An element of this work is to specifically recognize the risks associated with planned growth and the development of new income streams.

Following a review of the charity's risk reserve policy and projected income streams the Trustees set a target of £1.1m to manage the risk of potential fluctuations or underperformance in key income streams. Following the strong financial performance in its financial results for the 2023-24 financial year, the charity has maintained its risk reserve fund at £1.1m.

Working Capital and Cashflow

The Trustees of Isabel Hospice recognise the importance of managing cashflow to ensure that the charity can meet its financial responsibilities as they become due.

The charity produces a cashflow forecast and monitors the cashflow position regularly to ensure that operations are financially sustainable. At 31 March 2024, the cash position compared to 31 March 2023 had reduced by £919,000 to £1.6m, providing over 2 months' cover for operational working capital requirements. The charity will continue to target 3 months' cover of operational costs.



Going Concern

The Trustees of Isabel Hospice have received and reviewed five-year financial projections based on assumptions for income, costs, cashflow, reserves and property investment plans. The projections indicate that Isabel Hospice will continue to trade as a going concern for the foreseeable future.

Income: While the outlook for NHS grants remains difficult, with no real increase in NHS funding expected, the Hospice has decided to invest in other sources of income:

- There has been a strategic review of fundraising activities and investment in the team.
- The chain of charity shops continues to grow, in both the bricks and clicks categories.
- Additional income sources are being investigated and will be implemented from 2024-25.

Costs: Nearly 70% of group costs are represented by salary costs. The group continues to review the services it provides, and the financial effectiveness of all its activities, in the context of its charitable objectives.

Cashflow: The group has a record of generating stable cashflow. Fundraising income is stable and growing, and the legacy pipeline is strong. The chain of charity shops generates reliable income. Costs are relatively predictable, given the high percentage of costs accounted for by salaries. Cashflow is monitored daily.

Reserves: The charity expects to report a deficit in 2024-25, returning to surplus in 2025-26. The Board has designated unrestricted funds to manage the future growth of the charity.

Property and Investment: In 2023, the charity made a strategic decision to invest in its property assets. The medium-term aim is to operate from 2 sites, a head office incorporating a retail warehouse, and a clinical site, housing the hospice beds, the community team, the day services team and all clinical staff. In 2024 it purchased a suitable building for the head office and retail warehouse, and when this project is complete, it will move to the refurbishment of the clinical site. The financial uncertainties regarding the timing of cashflow related to these projects is to be managed by taking out a bridging loan with the group's bankers. The projections include the cost of the loan as well as assumptions about the likely repayment date.

Conclusion: The Trustees have examined the assumptions in the plans and are confident that the projections are achievable. Taken together with the cashflow projections, the Trustees of Isabel Hospice have concluded that the Charity has:

- Sufficient working capital and sufficient reserves to continue to trade for the foreseeable future.
- No unmanaged material uncertainties which might impact the charity's ability to remain a going concern.



Key Risks and Uncertainties

Following best practice guidelines, Isabel Hospice constantly reviews all strategic and operational risks through risk registers. These are reviewed by management, Board sub-committees and Isabel Hospice Trading Board. High scoring operational risks and strategic risks are reviewed by the Board.

High level risks identified in 2023-24 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 recruitment and retention issues, we have increased remuneration packages for clinical staff so that they are equivalent to NHS Agenda for Change rates. To address staff provision in our community teams we have invested in the teams and appointed paramedics to our Hospice at Home team.

Reduced Income leading to a lack of financial sustainability

Reduced income includes fluctuations in fundraising income (including legacy income), 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. While challenging, this situation presents us with an opportunity to work more closely with partners and with other local hospices in the development of palliative and end of life care for a larger population. 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.

Property and investment

At the time of writing this report, the Hospice has purchased and is engaged in refurbishing the new head office building. This work is to be funded by a loan. The loan will be repaid from the proceeds of the sale of the existing head office. The time over which funding is required is open ended, pending the sale of the existing building. The Hospice is confident that it has the resources to effectively manage its property interests and has recognised the financial risks around the funding costs in the bridging period and the uncertainties around the realisable value of the current head office building.

Cyber security

Hospice management is aware of the risks of a breach of cyber security, and the threats this would pose to Hospice activities and patient data. The Hospice has implemented recommended controls including multifactor authentication, restrictions on the use of staff own devices, and education for all staff in information governance and recognising cyber threats. The Hospice is in the process of completing the Cyber Essentials certification to provide further assurance that the risk is being managed.



Structure, Governance and Management

Isabel Hospice Limited is a registered charity, a company limited by guarantee 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. From 2024-25, the group will include an additional wholly owned subsidiary company, IHL Services Limited, through which other commercial services will be provided.

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 Safety
- 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

Two Trustees were appointed during 2023-24. Three Trustees resigned from the Board.

The recruitment of Trustees follows a robust process, as follows:

- the Board's existing skillset is reviewed and any additional expertise required by the Board is identified.
- new Trustees are sought using in a variety of methods, through formal recruitment websites, personal recommendations and other routes.
- Applicants for Trusteeship follow a rigorous HR process comprising interviews, selection, securing of references and finally appointment.

Trustee Induction and training

New Trustees follow a comprehensive induction programme, comprising face to face meetings with the directors and heads of department relating to their individual specialisation. Meetings are also arranged with directors of other departments to ensure the Trustee's understanding of the charity framework and Isabel Hospice's operational processes.

Trustees are expected to attend all Board meetings and sub committee meetings of which they are members. Isabel Hospice staff attend the Board and sub committee meetings and provide explanations and information as required. There is also a bi-annual strategy day to discuss themes in more detail.



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:

- **Director of Finance and Resources** - resigned August 2023
- **Interim Director of Finance and Resources** - appointed October 2023

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 always seeks to adhere to high quality fundraising standards. 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.



Fundraising Procedures Disclosure

Isabel Hospice Accounts to 31 March 2024 - 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 four 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 comprises Isabel Hospice staff and volunteers. 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 that we operate 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 this source of 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 organise fundraising events each year in order to provide charitable income and to enhance supporter engagement.

Lottery

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

Communications and Marketing Work

The Charity works closely with others to market Isabel Hospice's services. In 2023/24, we developed and widely implemented a new visual identity, comprising 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 including the strategic 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 £10 to the assets of the Charity in the event of winding up. The total number of such guarantees at 31 March 2024 was 11 (2023: 12). 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 which includes the strategic report has been approved by the Trustees on 4th September 2024 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)
I Williams (Vice Chair)
O Cholak
R Chrome
M Cottrell
S Fuell
I Ellis
C Jackson (appointed April 2023)
J Mills (appointed July 2023)
D Perry
J Quinn (resigned December 2023)
S Reddy (resigned June 2023)
A Reeve (resigned December 2023)
L Sale (appointed August 2024)
D Shirley

Secretary:

H Glenister

Executive Team:

H Glenister – CEO
R Keegan – Director of Finance and Resources (to August 2024)
C Miles – Interim Director of Finance and Resources (appointed October 2023)
A Kilduff - Director of Clinical Services
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
110 Golden Lane London EC1Y 0TG

Principal Bankers:

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

Solicitors:

Crane & Staples Solicitors
Longcroft House
Fretherne Road
Welwyn Garden City
Hertfordshire AL8 6TU



Investment managers:

Quilter Cheviot
Senator House
85 Queen Victoria Street
London, EC4V 4AB



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 2024 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 2024 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)

23 October 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

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 2024

	Note	2024					2023				
		Unrestricted £'000	Legacy Reserve £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Legacy Reserve	Restricted £'000	Endowment £'000	Total £'000
Income from:											
Donations and legacies	2	2,391	801	231	-	3,423	2,058	595	138	-	2,791
Charitable activities	3	2,323	-	-	-	2,323	2,223	-	-	-	2,223
Other trading activities	4	3,637	-	-	-	3,637	3,399	-	-	-	3,399
Total income		8,351	801	231	-	9,383	7,680	595	138	-	8,413
Expenditure on:											
Raising funds	5	3,946	-	4	-	3,950	3,220	-	-	-	3,220
Charitable activities		5,054	-	189	-	5,243	4,445	-	269	-	4,713
Total expenditure	5	9,000	-	193	-	9,193	7,665	-	269	-	7,934
Net income / (expenditure)		(649)	801	38	-	190	15	595	(131)	-	480
Transfers between funds		593	-	(593)	-	-	-	-	-	-	-
Net expenditure before other recognised gains and losses		(56)	801	(555)	-	190	15	595	(131)	-	480
Gains / (losses) on investments		112	-	-	-	112	(206)	-	-	-	(206)
Net movement in funds		56	801	(555)	-	302	(190)	595	(131)	-	274
Reconciliation of funds:											
Total funds brought forward		6,373	595	611	836	8,415	6,563	-	742	836	8,141
Total funds carried forward		6,429	1,396	56	836	8,717	6,373	595	611	836	8,415

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 2024

		The group		The charity	
	Note	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets:					
Tangible assets	10	5,795	2,885	5,672	2,770
Investments	11	843	2,231	843	2,231
		6,638	5,115	6,515	5,001
Current assets:					
Stock		70	81	-	-
Debtors	12	1,701	867	1,908	1,247
Short term deposits		-	500	-	500
Cash at bank and in hand		1,571	2,490	1,191	1,977
		3,342	3,939	3,099	3,724
Liabilities:					
Creditors: amounts falling due within one year	13	1,158	555	964	378
Net current assets		2,184	3,384	2,135	3,346
Total assets less current liabilities		8,822	8,499	8,650	8,347
Provisions for liabilities	14	105	84	25	26
Total net assets		8,717	8,415	8,625	8,321
Funds:	20				
Unrestricted income funds:					
General funds		29	94	50	-
Designated funds		7,796	6,874	7,683	6,874
Total unrestricted funds		7,825	6,968	7,733	6,874
Endowment funds		836	836	836	836
Restricted funds		56	611	56	611
Total funds		8,717	8,415	8,625	8,321

Approved by the trustees on 4 September 2024 and signed on their behalf by

Terry Philpott
Chair of Trustees

Consolidated statement of cash flows

For the year ended 31 March 2024

	2024 £	£	2023 £	£
Cash flows from operating activities		246		390
Cash flows from investing activities:				
Purchase of property, plant and equipment	(3,165)		(28)	
Proceeds from disposal of property, plant and equipment	-		2	
Movement on short term deposits	500		(151)	
Proceeds from the sale of investments	1,500		-	
Net cash (used in) investing activities		(1,165)		(177)
Change in cash and cash equivalents in the year		(919)		213
Cash and cash equivalents at the beginning of the year		2,490		2,276
Cash and cash equivalents at the end of the year		1,571		2,490

Notes to the cash flow statement

Reconciliation of net income to net cash flow from operating activities

	2024 £'000	2023 £'000
Net income (expenditure) (as per statement of financial activities)	302	274
Adjustments for:		
Depreciation charges	255	242
(Gains)/losses on investments	(112)	206
Decrease /(Increase) in stocks	11	(75)
(Increase)/Decrease in debtors	(834)	12
Increase/(Decrease) in creditors	603	(294)
Increase in provisions	21	25
Net cash provided by operating activities	246	390

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 2023-24 and continued to build up reserves, recording a surplus of £329,000 for the financial year. This result was considerably better than the budgeted loss of £221,000.

Operational Outlook: the outlook for NHS funding remains difficult, and Isabel Hospice is not expecting to see an increase in NHS grants in 2024-25. The charity is therefore looking at alternative sources of income. Investment has been made in fundraising activities, to build on the strong local support which the Hospice enjoys, and additional alternative income streams are also being explored. The retail chain of shops continues to generate income, although the quality of donations appears to be falling, and this will impact on sales. Nearly 70% of the Hospice's costs are salary costs, which are expected to rise annually in line with national cost of living increases. The charity is therefore looking creatively at the services it provides, to ensure that it delivers its charitable objectives efficiently, considering the needs of its beneficiaries. The Hospice has no plans to cut services in the foreseeable future.

Property Outlook: In January 2024, the Charity acquired a property, 99 Bridge Road East, Welwyn Garden City. The property will be used as the head office for Isabel Hospice limited and Isabel Hospice Trading limited, and will provide an extensive retail warehouse, after refurbishment. Isabel Hospice expects to relocate to 99 Bridge Road East in September / October 2024. Following the relocation, the charity plans to sell its existing head office, Milan House. The charity plans to take out a bridging loan to cover the period leading to the sale of Milan House.

Going Concern Conclusion: The Board of Trustees has received and reviewed five year financial projections based on realistic expectations of income and costs. The projections foresee a deficit in 2024-25, when the charity will face refurbishment and financing costs for the new building, with a return to positive cash flow generation after Milan House is sold, and a return to operational breakeven in 2026-27. The Board, after interrogating the projections, is satisfied that the Charity has:

1. sufficient working capital and sufficient reserves to continue to trade for this period
2. no unmanaged material uncertainties impacting the Charity's ability to remain a going concern for the coming 12 months from the date of this report.

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 earliest of the dates 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.

Legacy reserves were set up to ensure that exceptional legacies receive over budget are targeted to projects to improve the hospice.

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 2024

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 direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities based on direct costs attributable to each activity.

- | | |
|--------------------|-----|
| ● Medical | 2% |
| ● In-patient care | 21% |
| ● Community care | 18% |
| ● Support services | 16% |
| ● Raising funds | 43% |

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 2024

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

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. In general, cost is determined on a first in first out basis and includes transport and handling costs. 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.

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	2024 Total £'000	Unrestricted £'000	Restricted £'000	2023 Total £'000
Legacies	2,101	-	2,101	1,765	-	1,765
Donations in memoriam	341	-	341	227	-	227
Other donations	750	231	981	661	138	799
	3,192	231	3,423	2,653	138	2,791

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 £1,129,911 (2023: £11,000).

Notes to the financial statements

For the year ended 31 March 2024

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2024 Total £'000	Unrestricted £'000	Restricted £'000	2023 Total £'000
Main CCG contract	2,088	-	2,088	1,969	-	1,969
Other NHS income	36	-	36	30	-	30
Provision of staff and sundry other income	199	-	199	224	-	224
	2,323	-	2,323	2,223	-	2,223

4 Income from other trading activities

	Unrestricted £'000	Restricted £'000	2024 Total £'000	Unrestricted £'000	Restricted £'000	2023 Total £'000
Fundraising events	406	-	406	488	-	488
Charity shop income	2,987	-	2,987	2,672	-	2,672
Lottery income	244	-	244	235	-	235
Retail, Hospitality and Leisure Government	-	-	-	3	-	3
	3,637	-	3,637	3,399	-	3,399

Notes to the financial statements

For the year ended 31 March 2024

5a Analysis of expenditure (current year)

	Charitable activities								
	Raising funds	Medical	In-Patient Care	Community Care	Central costs	Governance costs	Support costs	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff Costs	2069	246	1123	1391	601	-	823	6,253	5,246
Other Staff costs	29	18	90	25	109	-	36	307	234
Premises	635	-	212	83	7	-	93	1,030	990
Shop expenses	304	-	-	-	-	-	-	304	244
Transport	13	-	-	-	-	-	-	13	17
Event costs	42	-	-	-	-	-	-	42	-
Clinical Supplies	-	-	101	4	-	-	-	105	87
Catering	-	-	100	-	-	-	-	100	98
Other Costs	247	4	82	17	227	-	425	1,002	975
Audit and Accounts preparation fees	-	-	-	-	-	37	-	37	42
	3,339	268	1,708	1,520	944	37	1,377	9,193	7,934
Support costs	595	20	293	250	219	-	(1,377)	-	-
Governance costs	16	1	8	6	6	(37)	-	-	-
Total expenditure 2024	3,950	289	2,009	1,776	1,169	-	-	9,193	
Total expenditure 2023	3,220	264	1,906	1,501	1,042	-	-		7,934

5b Analysis of expenditure (prior year)

	Charitable activities						2023 Total
	Raising funds	Medical	In-Patient Care	Community Care	Central costs	Governance costs	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff Costs	1,575	209	1,053	1,081	363	-	5,246
Other Staff costs	25	15	60	24	38	-	234
Premises	570	-	213	108	-	-	990
Shop expenses	244	-	-	-	-	-	244
Transport	17	-	-	-	-	-	17
Event costs	-	-	-	-	-	-	-
Clinical Supplies	-	-	87	-	-	-	87
Catering	-	-	98	-	-	-	98
Other Costs	289	3	96	39	479	-	975
Audit and Accounts preparation fees	-	-	-	-	-	42	42
	2,721	227	1,607	1,252	880	42	7,934
Support costs	482	36	289	241	157	-	-
Governance costs	17	1	10	8	5	(42)	-
Total expenditure 2023	3,220	264	1,906	1,501	1,042	-	7,934

Notes to the financial statements

For the year ended 31 March 2024

6 Net income / (expenditure)

This is stated after charging:

	2024 £'000	2023 £'000
Depreciation - owned assets	255	242
Operating leases - rent	389	342
Auditor's remuneration (excluding VAT):		
Statutory audit	27	25
Non-audit services	3	7
	684	616

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

Staff costs were as follows:

	2024 £'000	2023 £'000
Salaries and wages	5,437	4,547
Redundancy and termination costs	23	8
Social security costs	471	413
Pension contributions	322	277
	6,253	5,246

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

	FTE 2024 No:	Headcount 2024 No:	FTE 2023 No:	Headcount 2023 No:
Charitable activities				
Medical	2	4	2	4
In-Patient Care	26	43	23	40
Community Care	27	37	24	34
Other Patient Services	10	14	10	14
Total	65	98	59	92
Costs of raising funds				
Fundraising	14	16	12	14
Charity shops	58	96	45	78
Support Services	23	29	18	22
Total	95	141	75	114

The number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each band of £10,000 from £60,000 upwards was:

	2024 No.	2023 No.
£60,000 - £69,999	3	3
£70,000 - £79,999	2	4
£80,000 - £89,999	2	-
£90,000 - £99,999	-	-
£100,000 - £109,999	-	-

Total employee benefits (including pension contributions and employer's national insurance) received by key management personnel amounted to £418,988 (2023: £485,947).

8 **Trustee remuneration and related party transactions**

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2023: £nil) incurred by nil (2023: nil) members relating to attendance at meetings of the trustees.

Two close family members of Hospice key management personnel were employed by the Hospice, appointed to posts and with employment terms that fall within the Hospice's approved staff establishment (2023: 1 close family member). The employment costs of these two individuals was £45,795 (2023: £6,943)

The aggregate value of all unrestricted donations from related parties (excluding the gift aid receivable from Isabel Hospice Limited) amounted to £nil (2023 £nil).

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:

	2024	2023
	£'000	£'000
UK corporation tax at 19%	-	-

10 Tangible fixed assets

	Freehold property £'000	Short leasehold property £'000	Plant machinery equipment and vehicles £'000	Total £'000
The group				
Cost or valuation				
At the start of the year	3,770	789	342	4,901
Additions in year	3,000	32	133	3,165
At the end of the year	6,770	821	475	8,066
Depreciation				
At the start of the year	1,267	620	129	2,016
Charge for the year	88	29	138	255
At the end of the year	1,355	649	267	2,271
Net book value				
At the end of the year	5,415	172	208	5,795
At the start of the year	2,503	169	213	2,885

In January 2024, Isabel Hospice Limited bought the freehold of 99 Bridge Road East, Welwyn Garden City, AL7 1GD. The building is to be refurbished as the charity's head office and central retail warehouse. It is likely that Isabel Hospice limited will relocate to 99 Bridge Road East, following refurbishment, in the autumn of 2024. Following the relocation, it is expected that the current head office building, 61 Bridge Road East, will be sold. Freehold properties are classified as 1/3 Land and 2/3 Building, which is depreciated at 2% or 50 years.

	Freehold property £'000	Short leasehold property £'000	Plant machinery equipment and vehicles £'000	Total £'000
The charity				
Cost or valuation				
At the start of the year	3,770	304	351	4,425
Additions in year	3,000	18	108	3,126
Disposals in year	-	-	-	-
At the end of the year	6,770	322	459	7,551
Depreciation				
At the start of the year	1,267	258	130	1,655
Charge for the year	87	19	118	224
Eliminated on disposal	-	-	-	-
At the end of the year	1,354	277	248	1,879
Net book value				
At the end of the year	5,416	45	211	5,672
At the start of the year	2,503	55	212	2,770

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 March 2024

11 Investments

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Fair value at the start of the year	2,231	2,436	2,231	2,436
Additions at cost	-	-	-	-
Disposal proceeds	(1,500)	-	(1,500)	-
Net gain / (loss) on change in fair value	112	(206)	112	(206)
Fair value at the end of the year	843	2,231	843	2,231

Investments comprise:

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Shares listed on the London Stock Exchange	843	2,231	843	2,231

12 Debtors: amounts falling due within one year

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade debtors	546	40	542	35
Prepayments	240	159	88	66
Other debtors	5	49	2	25
Accrued income	214	518	172	516
VAT debtor	696	102	646	59
Due from Isabel Hospice Trading Limited	-	-	458	546
	1,701	867	1,908	1,247

13 Creditors: amounts falling due within one year

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	280	284	163	156
Other creditors	45	25	38	25
Taxation and social security	174	143	145	119
Accruals	126	96	85	71
Deferred income (note 15)	533	7	533	7
	1,158	555	964	378

Notes to the financial statements

For the year ended 31 March 2024

14 Provisions for liabilities

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At 1 April 2023	84	58	26	-
Added in the year	21	26	(1)	26
At 31 March 2024	105	84	25	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 £83,972 (2023: £77,698) and so a provision for this sum has been included in these accounts.

15 Deferred income

Deferred income of £533k represents an invoice to NHS Hertfordshire and West Essex ICB raised on March 2024 in respect of funding due for April to June 2024 (2023- nil).

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Balance at the beginning of the year	7	11	7	11
Amount released to income in the year	(7)	(11)	(7)	(11)
Amount deferred in the year	533	7	533	7
Balance at the end of the year	533	7	533	7

Notes to the financial statements

For the year ended 31 March 2024

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:

	2024	2023
	£'000	£'000
Turnover and other operating income	2,854	2,561
Cost of sales and administrative costs	(2,796)	(2,305)
Net profit	58	256
Total retained earnings brought forward	94	94
Prior year adjustment	(4)	-
Profit for the financial year	58	256
Gift aid distribution to the charity	(58)	(256)
Total retained earnings carried forward	90	94

During the year, the trading company paid to the Parent Charity £195,000 (2023: £180,000) for property rent and support services provided by Charity.

The assets and liabilities of the trading subsidiary were:

	2024	2023
	£'000	£'000
Tangible assets	121	114
Current assets	701	760
Creditors within one year	(652)	(722)
Provisions for liabilities	(80)	(58)
Aggregate net assets	90	94

17 Parent charity

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

	2024	2023
	£'000	£'000
Gross income	6,915	5,840
Result for the year	339	52

Notes to the financial statements

For the year ended 31 March 2024

18 Pension schemes

Defined benefit pension scheme - NHS Pension Scheme

Past and present qualifying employees are covered by the NHS Pension Scheme. Details of the benefits payable and rules of the scheme can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The NHS Pension Scheme is an unfunded defined benefit scheme that covers 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. It is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, payments to the scheme are 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 Government Financial Reporting Manual (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 2023, is based on valuation data as 31 March 2021, updated to 31 March 2023 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 2020.

Defined Contribution Pension Scheme - Aviva workplace pension scheme

Employees who do not qualify for the NHS Pension Scheme may be eligible for the Isabel Hospice Aviva workplace pension scheme, which is a defined contribution scheme. Eligibility is defined in terms of salary level and age, and eligible employees are auto-enrolled in the pension scheme. Employees and the Charity pay 4.5% of salary into the scheme, making a total contribution of 9% of salary.

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	-	5,795	-	-	5,795
Investments	-	843	-	-	843
Net current assets	134	1,158	56	836	2,184
Provisions for liabilities	(105)	-	-	-	(105)
Net assets at 31 March 2024	29	7,796	56	836	8,717

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	-	2,292	593	-	2,885
Investments	-	2,231	-	-	2,231
Net current assets	178	2,351	18	836	3,383
Provisions for liabilities	(84)	-	-	-	(84)
Net assets at 31 March 2023	94	6,874	611	836	8,415

Notes to the financial statements

For the year ended 31 March 2024

20a Movements in funds (current year)

	At 1 April 2023 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2024 £'000
Endowment funds	836	-	-	-	836
Restricted funds:					
<i>Capital development funds:</i>					
Building appeal	593	-	-	(593)	-
<i>Service delivery funds</i>					
Inpatient unit services	-	32	(32)	-	-
Community Services	-	87	(87)	-	-
Equipment	-	70	(40)	-	30
Family Support	17	10	(27)	-	-
Other	1	2	(3)	-	-
Training	-	-	-	-	-
<i>Raising funds</i>					
Fundraising costs	-	30	(4)	-	26
Total restricted funds	611	231	(193)	(593)	56
General funds	94	8,463	(9,000)	472	29
Designated funds:					
Fixed Asset fund	2,292	-	-	2,016	4,308
Risk Reserve Fund	1,100	-	-	-	1,100
Legacy Reserve	595	801	-	-	1,396
Building Reserve	2,887	-	-	(1,895)	992
Total unrestricted funds	6,968	9,264	(9,000)	593	7,825
Total funds	8,415	9,495	(9,193)	-	8,717

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 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	741	138	(268)	-	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	8,140	8,413	(8,138)	-	8,415

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For the year ended 31 March 2024

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. In the accounts for the year ending 31 March 2024, the net book value of the head office, 61 Bridge Road East, Welwyn Garden City, has been deducted from the fixed asset value as this building is to be sold and so is no longer required for charity use. 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 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 was been established for development, extension and modernisation of the Hospice buildings, including (1) creating a new head office and retail space and (2) investing in the In-patient facilities. The aim is to secure buildings fit for the hospice for decades to come in a financially prudent manner. In January 2024, the Hospice purchased 99 Bridge Road East, Welwyn Garden City, to be used as a head office, retail hub and warehouse. Some of the buildings reserve designated fund was used to fund this purchase. The new building will give the efficiencies and other improvements that come from working on one site, as well as providing an increase in warehouse space for our expanding retail estate. The development of the In-patient facility is expected to start in 2025-26.

The legacies reserve was set up in 2022-23 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. The charity intends to use the endowment to fund the development of the In-patient facility.

Restricted funds

The Building Appeal fund related to the proceeds of a special appeal that wasn't utilised to construct an annex to the In-patient Unit. The project is now completed.

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 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. The grants are principally used to help pay the staff employed for that purpose.

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

21 Operating lease commitments

The following payments represent the financial commitments under operating leases for the group and the charity:

	Group		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Less than one year	230	177	19	19
One to five years	596	400	4	23
Over five years	907	654	-	-
	1,733	1,231	23	42

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.

23 Post balance sheet event

In January 2024, Isabel Hospice Limited purchased a building in Welwyn Garden City, 99 Bridge Road East, to combine the head office, warehouse and eBay shop in a single more efficient building. In May 2024, Isabel Hospice Limited signed a contract with Newland Construction at a value of £148,489 to cover the external repairs to the building, and subsequently, in September 2024, signed a contract with Newland Construction at a value of £525,000 to cover the costs of the internal remodelling and refurbishment. In June 2024, Isabel Hospice Limited agreed a loan facility with Lloyds Bank, for a value up to £1,500,000 to cover the charity's cashflow needs during the period of refurbishment. The loan is secured against the value of 99 Bridge Road East. At the date of signing this report, the loan has not been drawn down.

In 2022, Isabel Hospice Limited exchanged contracts with a purchaser, Anglodane Limited, for the sale of the charity's current head office, Milan House. Completion of the sale is expected between November 2024 and July 2025. The proceeds of the sale will be used to repay the bank loan, if the loan is drawn down before the date of completion of the sale of Milan House.