

Charity registration number 1057941

Company registration number 03240240 (England and Wales)

DOVE COTTAGE DAY HOSPICE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

DOVE COTTAGE DAY HOSPICE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R De Silva C Gatfield J Jesson M Lem W Lindow
Secretary	C Gatfield
Charity number	1057941
Company number	03240240
Principal address	Canal Lane Stathern Melton Mowbray LE14 4EX
Registered office	2 Merus Court Meridian Business Park Leicester LE19 1RJ
Independent examiner	David T Mayfield Mayfield & Co (Accountants) Ltd 2 Merus Court Meridian Business Park Leicester LE19 1RJ
Bankers	TSB High Street Melton Mowbray Leicestershire LE13 0TS

DOVE COTTAGE DAY HOSPICE

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DOVE COTTAGE DAY HOSPICE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objects of the charity are as follows:

- Provide day care and support for terminally ill persons
- Offer respite relief for the carers of the terminally ill
- Offer emotional support for the families of the terminally ill
- Provide support to persons with dementia and their carers
- Advancement of the Christian faith.

We take seriously equality and diversity in our ethos to be accepting of all patients and provide a safe, secure, and pleasant social environment. All staff and volunteers are welcoming, and our day care provision includes family support, access to a bath and complementary therapies, opportunities for social interaction, faith exploration in exceptionally pleasant and peaceful rural surroundings. We value very highly the individual's right to choose how they spend their day and make every effort to offer choice and encourage independence taking into consideration any known risks.

Normally day care places are offered three days per week at Stathern. In addition, Family Support Services operate on Fridays. Dementia support groups for carers are held monthly on a Friday via Zoom and a weekly home sitting service for those living with dementia has been introduced to give carers some respite. Carers lunches are also held on a bi-monthly basis. Unfortunately, until the end of May 2021 all face-to-face services were suspended due to Covid. Normal services resumed on 1st June albeit with reduced capacity to allow for social distancing.

All users of our services have access to senior nursing staff and the Registered Manager if they have any problems or issues that they wish to discuss.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Public Benefit Statement

Dove Cottage Day hospice aims to provide a public benefit in the following manner. Our palliative services are free at the point of access and are available to anyone living within our catchment area with a diagnosis of a life limiting disease who meet our criteria. Also, as part of our remit to be not only accessible but a wide-reaching benefit to the public we accept and care for appropriate self-referral patients as well as those referred by healthcare professionals.

Achievements and performance

Provision

The last CQC inspection was in October 2019 when we were rated as 'Good' in all 5 key areas; well led, caring, safe, responsive and effective. A further unannounced inspection by the CQC was carried out in April 2022 to carry out a review of the quality of our services. No report has yet been issued.

DOVE COTTAGE DAY HOSPICE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Trustees and staff continue to focus on our core strengths which in addition to nursing care, includes advice and signposting, spiritual support and a wide range of not only 'diversional' therapies but also 'holistic' therapies run by insured professionals who have been granted practising privileges. For people who meet hospice criteria, but who do not wish to attend for day care, we provide a bathing service and a set period of complementary therapies as well as a home loan service, which focuses mainly on the provision of wheelchairs.

We recognise the high calibre of our dedicated nursing and care team and the feedback from patients regarding their care is commendable. There is a Day Care Leader who is responsible for the provision of all clinical services and the nursing team comprises of 4 Registered Nurses, 3 Healthcare Assistants, 1 Family Support Worker, 1 Bank Nurse and 1 bank Healthcare Assistant.

Referrals were lower during some of the year due to the pandemic and many staff were placed on furlough. During the reporting period we assured that sufficient clinical staffing levels and skills mix were maintained to manage all presenting patient needs. Staffing levels and requirements of the service are closely monitored. The Day Care Leader reports to the Trustees at each Trustee meeting on the clinical aspect of the service. The hospice re-opened for day care on 1st June 2021 and the level of referrals increased throughout the year. All staff were taken out of furlough by 1st May 2021 if not earlier.

The Trustees are pleased with the Family Support Service, which is helping to address continuity in 'End of Life Care' especially during the current climate. In addition to visits from the Family Support worker, the service offers home complementary therapies from our fully qualified and insured complementary therapists, and visits from our chaplaincy team where requested. Family support is also a stopgap for patients who are unable to attend day care because of treatment or illness. Phone calls to carers and patients help to maintain continuity. A further part of our holistic approach to care lies in the support group 'Carers Lunches' held every two months which again had to be suspended due to Covid. A three-course meal is normally provided onsite for present and past carers with opportunities to share experiences. This provision aims to reduce anxiety and isolation for carers enabling them to cope with the varied stresses in the home and family. Bereaved carers constitute a higher percentage of the people attending, which indicates that this group is particularly beneficial in terms of providing informal bereavement support as well as supporting current carers. Feedback is consistently positive. The dementia support service is well received with an average of 6 carer's attending the monthly zoom support group and approximately 4 visits are made each week to sit with the person with dementia to allow the main carer some free time away from the home.

The Trustees and staff continue to evaluate all monitoring systems to ensure that the hospice is meeting standards and targets required by the accessing Health Trusts and are satisfied with the development of networks initiated and supported by the nursing team.

Developments

The Trustees feel privileged to oversee a hospice environment which is constantly evolving to meet the challenges and changes of community health and social care.

In June 2021 our satellite unit in Ridlington was closed due to a poor level of referrals and the expense of paying rent on an empty building throughout the pandemic. Temporary, rent-free accommodation was found at Oakham Grange, a local care home but by October 2021 the owners needed the space back. After unsuccessfully looking for a new location and still with low numbers, it was decided to operate a monthly support group in the area. This is a nurse-led service that is financially more viable, but is more of a social model allowing people the chance to get out of the house and gain support from both peers and the nursing team. This is well attended and will continue into the future.

During the year, Dove Cottage also became involved with the Bereavement Help Point project in Rutland, which offers support to the bereaved through a monthly drop-in service. This works in conjunction with two other local hospices, LOROS and Sue Ryder, and is an excellent example of partnership working.

As always, we will continue to meet the challenges and rewards of making a difference in the lives of sufferers and carers alike with resolve and wisdom so that Dove Cottage will be a worthy and valuable contributor to the compassionate care of those for whom there is no cure.

DOVE COTTAGE DAY HOSPICE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Staff Training and Development

The Trustees are committed to a policy of access to training and development of all staff by encouraging them to enhance their knowledge and understanding to enable them to carry out their role more effectively. Staff annual reviews include a training needs analysis to guide them in meeting their own as well as organisational objectives.

Records of performance reviews and courses attended are kept in individuals' personnel files. Information on available courses is regularly disseminated amongst the team and appropriate allocation of places is decided, with consideration being given to staff availability, cost, and personal training needs.

All members of the nursing team including bank nurses, update all mandatory training on an annual basis. At their annual review, all members of the nursing team and care team are required to update their awareness and knowledge of relevant policies and procedures including fire safety, safeguarding and the health and safety handbook. This is carried out and checked by the Day Care leader and signed by the staff member.

The Trustees are satisfied that the budget for training is adequate. The nursing team access free courses where possible. The training programme is regulated and monitored by the lead nurse who reports to the trustees.

Volunteers

Dove Cottage has over 200 volunteers working in the hospice and charity shops. The Trustees are very grateful for the many hours put in by these volunteers who make such a vast difference to the quality of service we can provide, and we are therefore committed to their ongoing development.

All new hospice volunteers are encouraged to enhance their knowledge and understanding of palliative care and their annual reviews include a training needs analysis to meet their own as well as organisational objectives. All new hospice volunteers undertake induction with the Day Care Leader and are then registered on a regular rolling training programme, covering topics including palliative care, health conditions, appropriate provision of care, health and safety, fire safety, safeguarding, communication, spirituality, and looking after themselves. Further training is made available in areas such as first aid, CPR, food safety and other topics as appropriate, and annual reviews include updating in relevant policies and procedures such as fire safety and health and safety.

All retail volunteers undertake induction with the Retail Manager, covering such aspects as health & safety, fire safety, manual handling and customer service. This training is reaffirmed on a periodic basis.

Fund Raising

Dove Cottage receives funds from the Community, Grant-making Trusts, the Corporate Sector and its own retail shops. We normally run our own programme of fundraising events including fetes, auctions, sponsored events etc but many of these had to be put on hold throughout the pandemic. In September 2021 an event was held to celebrate the 25th anniversary of Dove Cottage and was well attended. We are committed to good fundraising practice and are signed up with the Fundraising Regulator. To the best of our knowledge, we have not, nor has a third party failed to comply with any relevant fundraising regulations.

Most of our 5 charity shops normally operate very successfully, bringing in a large proportion of our income to support our operations. Although they had to close due to Covid, they all reopened in May 2021 when legislation allowed. However, since re-opening, sales at the Melton shop have been poor and the decision has been made to close the shop in September 2022.

The Stathern shop premises, which are on the boundary of the hospice, incorporates a large tearoom and continues to be extremely popular and profitable also bringing footfall to the charity shop and being a 'signpost' for the hospice, although again it has had to be closed for some of the year in question.

The tearoom was established several years ago as a separate social enterprise specifically to raise funds for Dove Cottage and all profits come into the hospice.

DOVE COTTAGE DAY HOSPICE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Financial review

The COVID-19 pandemic meant that the normal day care services remained suspended until June 2021. In addition, retail outlets remained closed in the early part of the year but reopened in May 2021. It was only in the second half of the year the hospice was able to run a fundraising event of its own.

The hospice continued to participate in the Coronavirus Job Retention Scheme which enabled the charity to claim £9,412 to help to pay staff whilst on furlough.

During the previous financial year, the NHSE awarded funding of £101,787, part of which was to allow the hospice to make available community support from November 2020 to March 2021, to provide support to people with complex needs in the context of the COVID-19 situation.

In summary, there was a surplus of £99,013 for the year. The Trustees were very grateful for the support from various sources during the COVID-19 pandemic, which enabled it to provide some services remotely, retain staff through furlough and crucially provide a financial cushion for when services were resumed, allowing for the fact that normal retail and fundraising income could take some time to recover.

Reserves

The Charity Commission consider it prudent to retain an appropriate level of free reserves for the maintenance of essential services for beneficiaries. Our reserves help to address the risks to our service users (in particular, vulnerable patients), as well as our staff, should a significant fall in funding streams occur that, without the presence of reserves, may lead to an unplanned closure of the whole or part of the service. We feel it essential that enough reserves are held to enable us to continue operating for a period where we would seek alternative income streams, and if this proved to not be the case a managed closure of the whole or part of the service.

The benchmark for our reserves is based on annual expenditure since our income streams are not guaranteed and are subject to variation. Where possible it was planned during the year to maintain reserves between 20% - 30% of annual expenditure. The target range for reserves will be subject to annual review by the Trustees. The actual level of reserves is monitored monthly.

In March 2022, the Trustees reviewed the Reserves Policy and agreed that the reserves would be maintained between 40% - 50% of annual expenditure. It was also agreed that an additional £100,000 would be maintained to cover any possible loss of income streams if the merger with LOROS proceeds in 2023.

The reserves (including designated funds) at the year-end amounted to £511,288 up from £412,275. These are split between Unrestricted funds of £235,069, Designated funds of £275,000 and Restricted funds of £1,219. The total reserves are in excess of the amount required by the Reserves Policy. However, due to the impacts of emerging from the COVID-19 pandemic, the uncertainty caused by the cost of living crisis and the possible merger with LOROS in 2023, the Trustees believe that maintaining a higher level of reserves is not unreasonable at the present time.

Risk Management

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees have responsibility for identifying the types of risk – financial, operational and reputational faced by Dove Cottage in pursuing its charitable objectives. Formal procedures in every aspect of the business designed to mitigate these risks have been established and every effort is made to ensure that employees are both fully aware of these procedures and the implications of failing to implement them. The Trustees are satisfied that these controls, including financial controls, comply in all material respects with guidelines issued by the Charity Commission.

DOVE COTTAGE DAY HOSPICE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Plans for the Future

After the return to our usual day care service provision post covid, our thoughts have turned to the future and the impending retirement of the Chief Executive/Registered Manager and other members of the Senior Management Team at the end of March 2023. Having been approached by LOROS (The Leicestershire & Rutland Organisation for the Relief of Suffering, Charity No.56120) It has been agreed in principle that the two charities will merge on 1st April 2023. Both charities are currently carrying out the Due Dilligence process before a formal agreement is entered into. The Trustees believe that this move will be in the best interests of Dove Cottage and secure its future for the provision of palliative care to the local population. Our main aim for 2022/23 is to ensure a smooth transition period if this merger does proceed, continue to provide the current level of services to the high standards expected and ensure that financial stability is maintained.

Structure, governance and management

Organisation

The charity is a company which was incorporated on the 21st August 1996 under the companies' act 1985 as a private company limited by guarantee, and as such does not have share capital.

Dove Cottage is an independent hospice provider of palliative day-care to those people living in NE Leicestershire, Rutland and SE Nottinghamshire with a diagnosis of cancer or other progressive illnesses for which there is no cure. We provide wide-ranging palliative services for those living in NE Leicestershire, SE Nottinghamshire and Rutland.

Governance

Dove Cottage, as a limited company, is governed by its Memorandum and Articles of Association. A review of the governing documents and Management Arrangements is carried out every four years and the charities internal policies are subject to regular review by staff and Trustees. Dove Cottage is registered with the Care Quality Commission and licensed to provide services under Provider ID: 1-101634140. Mrs C Gatfield, is the Registered Manager.

The Board sets the policy framework for the charitable company within which the Registered Manager leads the staff team in day to day operations. The Trustees will take independent external advice when, and where appropriate.

The main office of the Charity is:

Dove Cottage Day Hospice
Canal Lane
Stathern,
Melton Mowbray
Leicestershire
LE14 4EX

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

R De Silva
C Gatfield
J Jesson
M Lem
W LINDAY

DOVE COTTAGE DAY HOSPICE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Trustees are appointed by the board of trustees who will ensure that the skills and experience match the requirements of the charity at that time. Eligibility to be appointed a Trustee and Director are checked and an enhanced DBS check is carried out.

New Trustees are provided with our full induction pack and are expected to make themselves familiar with all our practices.

The Board sets the policy framework for the charitable company within which the Registered Manager leads the staff team in day to day operations. The Board also periodically reviews the policy framework and keeps it up to date so that it remains relevant to the work of Dove Cottage and the context within which the charitable company is operating.

On an annual basis the Trustees agree the salary for the forthcoming year for the Registered Manager. The Trustees also agree the percentage increase to be applied to general salary levels on an annual basis.

The Trustees meet at least three times in each financial year. In addition, an Annual General Meeting is held, the most recent took place on 8th December 2021. All Trustees agreed to stand for another year.

The Trustees report was approved by the Board of Trustees.



J Jesson

Trustee

Dated: 5 October 2022

DOVE COTTAGE DAY HOSPICE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF DOVE COTTAGE DAY HOSPICE

I report to the Trustees on my examination of the financial statements of Dove Cottage Day Hospice (the charity) for the year ended 31 March 2022.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



David T Mayfield

Mayfield & Co (Accountants) Ltd
2 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Dated: 5 October 2022

DOVE COTTAGE DAY HOSPICE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:									
Donations and legacies	3	232,757	-	43,800	276,557	321,874	-	145,722	467,596
Raising funds	4	336,023	-	-	336,023	150,280	-	-	150,280
Investments	5	673	-	-	673	782	-	-	782
Other income	6	5,250	-	-	5,250	5	-	-	5
Total income		574,703	-	43,800	618,503	472,941	-	145,722	618,663
Expenditure on:									
Charitable activities	7	473,758	-	45,732	519,490	300,047	-	148,873	448,920
Net income/(expenditure) before transfers		100,945	-	(1,932)	99,013	172,894	-	(3,151)	169,743
Gross transfers between funds		(103,151)	100,000	3,151	-	(53,151)	50,000	3,151	-
Net (expenditure)/income for the year		(2,206)	100,000	1,219	99,013	119,743	50,000	-	169,743
Fund balances at 1 April 2021		237,275	175,000	-	412,275	117,532	125,000	-	242,532
Fund balances at 31 March 2022		235,069	275,000	1,219	511,288	237,275	175,000	-	412,275

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

DOVE COTTAGE DAY HOSPICE

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 MARCH 2022

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DOVE COTTAGE DAY HOSPICE

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		49,696		95,635
Current assets					
Debtors	13	11,911		50,560	
Cash at bank and in hand		500,516		362,015	
		<u>512,427</u>		<u>412,575</u>	
Creditors: amounts falling due within one year	14	<u>(50,835)</u>		<u>(56,135)</u>	
Net current assets			461,592		356,440
Total assets less current liabilities			511,288		452,075
Deferred income	15				<u>(39,800)</u>
Income funds					
Restricted funds	18		1,219		-
<u>Unrestricted funds</u>					
Designated funds	17	275,000		175,000	
General unrestricted funds		<u>235,069</u>		<u>237,275</u>	
			510,069		412,275
			<u>511,288</u>		<u>412,275</u>

DOVE COTTAGE DAY HOSPICE

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

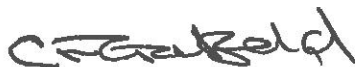
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 5 October 2022



C Gatfield
Trustee

Company registration number 03240240

DOVE COTTAGE DAY HOSPICE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	21		132,578		237,530
Investing activities					
Purchase of tangible fixed assets		-		(6,666)	
Proceeds from disposal of tangible fixed assets		5,250		-	
Investment Income received		673		782	
Net cash generated from/(used in) Investing activities			5,923		(5,884)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			138,501		231,646
Cash and cash equivalents at beginning of year			362,015		130,369
Cash and cash equivalents at end of year			500,516		362,015

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity Information

Dove Cottage Day Hospice is a private company limited by guarantee incorporated in England and Wales. The registered office is 2 Merus Court, Meridian Business Park, Leicester, LE19 1RJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of their charitable objectives which have been reserved for a specific purpose.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

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

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Property Improvements	Straight line over ten years
Tea Room	Straight line over three years
Fixtures and equipment	Straight line over three years
Barn Conversion	Straight line over three years
Motor vehicles	Straight line over three years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.9 Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans, which are subsequently measured at amortised cost using the effective interest method.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	113,047	-	113,047	88,992	-	88,992
Legacies receivable	79,668	-	79,668	21,988	-	21,988
Grants receivable	40,042	43,800	83,842	210,894	145,722	356,616
	<u>232,757</u>	<u>43,800</u>	<u>276,557</u>	<u>321,874</u>	<u>145,722</u>	<u>467,596</u>
Donations and gifts						
Donations (non - Gift Aided)	32,839	-	32,839	16,791	-	16,791
Donations (Gift Aided)	12,467	-	12,467	12,150	-	12,150
Donations from Dove Cottage Tea Room	2,783	-	2,783	1,951	-	1,951
Tax Receipts from HMRC	10,808	-	10,808	-	-	-
Trusts	54,150	-	54,150	58,100	-	58,100
	<u>113,047</u>	<u>-</u>	<u>113,047</u>	<u>88,992</u>	<u>-</u>	<u>88,992</u>
Legacies receivable						
Legacies	79,668	-	79,668	21,988	-	21,988
	<u>79,668</u>	<u>-</u>	<u>79,668</u>	<u>21,988</u>	<u>-</u>	<u>21,988</u>
Grants receivable for core activities						
Leicester & Rutland PCT	24,630	-	24,630	24,283	-	24,283
St James Palace	2,500	-	2,500	-	-	-
Annexe income	-	39,800	39,800	-	39,800	39,800
NHSE Hospice UK	-	-	-	-	101,787	101,787
Tesco bags for life grant	1,000	-	1,000	-	-	-
Melton Borough Council	2,500	-	2,500	34,686	-	34,686
Rushcliffe Borough Council	-	-	-	13,669	-	13,669
Melton & Belvoir Rotary	-	4,000	4,000	-	-	-
Coronavirus job retention scheme	9,412	-	9,412	138,256	-	138,256
British Cardiac Association	-	-	-	-	4,135	4,135
	<u>40,042</u>	<u>43,800</u>	<u>83,842</u>	<u>210,894</u>	<u>145,722</u>	<u>356,616</u>

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

(Continued)

4 Raising funds

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Fundraising events	43,554	13,488
Charity shop	278,946	125,225
In Memorium	5,741	8,634
Tea Room Income/Management charge	7,782	2,933
Raising funds	<u>336,023</u>	<u>150,280</u>

5 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Interest receivable	<u>673</u>	<u>782</u>

6 Other Income

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Net gain on disposal of tangible fixed assets	5,250	-
Other Income	-	5
	<u>5,250</u>	<u>5</u>

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Charitable activities

	Unrestricted General	Unrestricted Charity Shops	Unrestricted Rutland Hospice	Restricted General	Total 2022	Total 2021
	£	£	£	£	£	£
Staff costs	87,397	161,041	23,343	-	271,781	228,623
Depreciation	2,989	-	-	42,951	45,940	45,940
Heat, light, water and Insurance	7,392	5,116	(130)	-	12,378	11,313
Training expenses	1,268	-	75	-	1,343	116
Repairs and equipment	18,837	11,924	146	2,781	33,688	32,258
Cleaning and waste	6,161	4,477	-	-	10,638	7,444
Motor and transport	11,067	2,015	589	-	13,671	3,382
Telephone	2,027	2,240	484	-	4,751	4,648
Subscriptions	2,412	-	-	-	2,412	2,406
Catering costs	3,436	-	21	-	3,457	57
Legal and professional fees	200	-	956	-	1,156	-
Fundraising expenditure	4,112	-	-	-	4,112	1,928
Sundry expenses	552	9,614	3,416	-	13,582	17,489
Printing, postage and stationery	4,283	4,882	376	-	9,541	9,079
Outings and craft	225	-	-	-	225	13
Rent	-	26,521	3,300	-	29,821	32,078
Bank charges	-	4,044	10	-	4,054	2,910
	<u>152,358</u>	<u>231,874</u>	<u>32,586</u>	<u>45,732</u>	<u>462,550</u>	<u>399,684</u>
Share of governance costs (see note 8)	<u>53,769</u>	<u>-</u>	<u>3,171</u>	<u>-</u>	<u>56,940</u>	<u>49,236</u>
	<u>206,127</u>	<u>231,874</u>	<u>35,757</u>	<u>45,732</u>	<u>519,490</u>	<u>448,920</u>
Analysis by fund						
Unrestricted funds - general	<u>206,127</u>	<u>231,874</u>	<u>35,757</u>	<u>-</u>	<u>473,758</u>	
Restricted funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,732</u>	<u>45,732</u>	
	<u>206,127</u>	<u>231,874</u>	<u>35,757</u>	<u>45,732</u>	<u>519,490</u>	
For the year ended 31 March 2021						
Unrestricted funds - general	<u>133,375</u>	<u>127,605</u>	<u>39,067</u>	<u>-</u>		<u>300,047</u>
Restricted funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,873</u>		<u>148,873</u>
	<u>133,375</u>	<u>127,605</u>	<u>39,067</u>	<u>148,873</u>		<u>448,920</u>

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Support costs

	Support costs	Governance costs	2022	2021	Basis of allocation
	£	£	£	£	
Staff costs	-	50,715	50,715	44,266	
Independent examination fees	-	6,200	6,200	4,900	Governance
Miscellaneous expenses	-	13	13	13	Governance
Bank charges	-	12	12	57	Governance
	<u>-</u>	<u>56,940</u>	<u>56,940</u>	<u>49,236</u>	
Analysed between					
Charitable activities	-	56,940	56,940	49,236	

Governance costs includes payments to the Independent examiners of £6,200 (2021- £4,900) for examination fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, and none of them were reimbursed for expenses incurred as a result of their duty as a trustee (2021- £nil).

One trustee, Mrs C Gatfield was paid in a separate capacity as manager of the Hospice and her remuneration is shown separately as manager's wages.

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Charitable facilities	33	39
Governance costs	3	3
	<u>36</u>	<u>42</u>
Employment costs	2022 £	2021 £
Wages and salaries	316,024	270,430
Social security costs	6,472	2,459
	<u>322,496</u>	<u>272,889</u>

Under FRS 102 the number of employees relates to the average number of persons employed by the Charity in the year, where the average number of people is based on the number of contracts of employment in each month.

There were no employees whose annual remuneration was £60,000 or more.

11 Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Tangible fixed assets

	Property Improvements	Tea Room	Fixtures and Barn Conversion equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2021	562,209	16,463	67,952	51,773	795,398
At 31 March 2022	562,209	16,463	67,952	51,773	795,398
Depreciation and impairment					
At 1 April 2021	471,078	16,463	63,448	51,773	699,763
Depreciation charged in the year	43,657	-	2,282	-	45,939
At 31 March 2022	514,735	16,463	65,730	51,773	745,702
Carrying amount					
At 31 March 2022	47,474	-	2,222	-	49,696
At 31 March 2021	91,131	-	4,504	-	95,635

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	7,839	45,363
Prepayments and accrued income	4,072	5,197
	<u>11,911</u>	<u>50,560</u>

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		2,637	2,467
Deferred income	15	39,800	39,800
Trade creditors		2,263	8,037
Other creditors		1,335	1,231
Accruals and deferred income		4,800	4,600
		<u>50,835</u>	<u>56,135</u>

15 Deferred Income

	2022 £	2021 £
Arising from grants	79,600	119,400
Other deferred income	(39,800)	(39,800)
	<u>39,800</u>	<u>79,600</u>

Deferred Income is included in the financial statements as follows:

	2022 £	2021 £
Current liabilities	39,800	39,800
Shown as deferred income on the face of the balance sheet	-	39,800
	<u>39,800</u>	<u>79,600</u>

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Unrestricted funds	Balance at 1 April 2020 £	Movement in funds			Transfers	Balance at 1 April 2021 £	Movement in funds			Transfers	Balance at 31 March 2022 £
		Income	Expenditure	£			Income	Expenditure	£		
General funds	147,476	165,463	(120,245)		44,581	237,275	153,541	(202,015)		46,268	235,069
Charity shops	-	231,595	(127,605)		(103,990)	-	281,136	(231,874)		(49,262)	-
Rutland	(29,944)	24,566	(39,067)		44,445	-	6,938	(35,757)		28,819	-
Legacies	-	21,988	-		(21,988)	-	79,668	-		(79,668)	-
Tea Room	-	16,086	(11,202)		(4,884)	-	10,922	-		(10,922)	-
Fundraising	-	13,243	(1,928)		(11,315)	-	42,498	(4,112)		(38,386)	-
	117,532	472,941	(300,047)		(53,151)	237,275	574,703	(473,758)		(103,151)	235,069

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2020 £	Transfers £	Balance at 1 April 2021 £	Transfers £	Balance at 31 March 2022 £
General designated funds	125,000	50,000	175,000	100,000	275,000
	<u>125,000</u>	<u>50,000</u>	<u>175,000</u>	<u>100,000</u>	<u>275,000</u>

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020 £	Movement in funds			Transfers £	Balance at 1 April 2021 £	Movement in funds			Transfers £	Balance at 31 March 2022 £
		Income £	Expenditure £				Income £	Expenditure £			
Annexe	-	39,800	(42,951)		3,151	-	39,800	(42,951)		3,151	-
British Cardiac Association	-	4,135	(4,135)		-	-	-	-		-	-
NHSE Hospice UK	-	101,787	(101,787)		-	-	-	-		-	-
Melton & Belvoir Rotary	-	-	-		-	-	4,000	(2,781)		-	1,219
	-	145,722	(148,873)		3,151	-	43,800	(45,732)		3,151	1,219

19 Analysis of net assets between funds

	Unrestricted funds			Restricted funds			Total		
	2022 £	Designated funds 2022 £	Restricted funds 2022 £	2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:									
Tangible assets	9,896	-	39,800	49,696	55,835	-	39,800	95,635	
Current assets/(liabilities)	225,173	275,000	(38,581)	461,592	181,440	175,000	-	356,440	
Provisions and deferred income	-	-	-	-	-	-	(39,800)	(39,800)	
	235,069	275,000	1,219	511,288	237,275	175,000	-	412,275	

DOVE COTTAGE DAY HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Related party transactions

There were no disclosable related party transactions other than those prescribed under key management personnel during the year (2021- none).

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	48,128	45,544

21 Cash generated from operations

	2022 £	2021 £
.		
Surplus for the year	99,013	169,743
Adjustments for:		
Investment income recognised in statement of financial activities	(673)	(782)
Gain on disposal of tangible fixed assets	(5,250)	
Depreciation and impairment of tangible fixed assets	45,939	45,939
Movements in working capital:		
Decrease in debtors	38,649	61,111
(Decrease)/increase in creditors	(5,300)	1,319
(Decrease) in deferred income	(39,800)	(39,800)
Cash generated from operations	132,578	237,530

22 Analysis of changes in net funds

The charity had no debt during the year.