

**Cornwall Hospice Care Limited
(Limited by guarantee)**

**Report of the Members of the Board and
financial statements**

For the year ended 31 March 2023

Company registration number 05660401

Charity registration number 1113140

Cornwall Hospice Care Limited (Limited by Guarantee)

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Cornwall Hospice Care Limited (Limited by Guarantee)

Section 1: Strategic Report

The Members of the Board (who constitute Directors of the company for the purposes of the Companies Act and Trustees for the purposes of the Charities Act) have pleasure in submitting their report together with the audited financial statements for the year ended 31 March 2023 and confirm that the latter comply with the requirements of the Act, the Memorandum and Articles of Association, and the 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 1st January 2019).

Highlights of the Year

Patient Care

During the year we experienced two unannounced inspections by the Care Quality Commission, one at St Julia's Hospice and the second at Mount Edgcumbe Hospice. Both inspections were incredibly thorough and the CQC's feedback was very positive. We were delighted with the CQC's ratings following the inspections, with St Julia's being rated as Good and Mount Edgcumbe being rated as Outstanding.

During the year admission numbers have increased, as have the number of occupied bed days. Average stay has remained broadly in line with the previous year, as we continue to see patients with more complex conditions, leading to longer stays.

We have continued to provide 20 beds, ten at each of our hospice in-patient units, while also maintaining our important lymphoedema clinics, our range of community services and our education programmes for healthcare workers and care providers across Cornwall.

We have experienced growth across our community services - hubs and Listening Ear service – which has been facilitated with the increased appetite for face to face sessions. In March 2023 we opened our Redruth Hub which is located in our Bargain Outlet. The hub will offer outpatient therapy appointments, living well workshops and activities aimed at encouraging patients to plan for their future.

We continue to be regulated by the Care Quality Commission.

| Patient Care | 2021/22 | 2022/23 |
|-------------------------------|---------|---------|
| Number of patients admitted | 331 | 351 |
| Number of patients discharged | 122 | 105 |
| Occupied bed days | 5,397 | 5,529 |
| Listening Ear - support calls | 347 | 400 |
| Lymphedema appointments | 1,258 | 1,145 |
| Advice Line calls | 1,461 | 1,315 |
| Hub patients seen | 131 | 190 |

Patient Satisfaction

Feedback, good and bad, is vitally important for us as it allows us to make improvements where they may be needed. In the last year we received 2 complaints and 1 concern which is lower than the previous year.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 1: Strategic Report (continued)

These were all discussed with the parties involved and were resolved and closed satisfactorily. Internally, they were discussed at our Clinical Governance Committee to ensure any learning or opportunities for improvement were implemented.

Compliments

During 2022/23 we received 145 written compliments. Comments left by patients and families are anonymised and reported to the Clinical Governance Committee and summaries are also made available for staff to read.

During the year we were not required to report any safeguarding alerts to either the Adult Safeguarding Service or the Multi Agency Referral Unit (children).

Finance

Our financial performance was positive in the year, boosted for a second year by significant legacy receipts. An overall surplus result of just under £1.2m was recorded, compared to a surplus budget for the year of £1.9m.

A surplus of £1.4m was generated from our Operations, which has then been reduced by losses on investments during the year meaning an overall surplus result of just below £1.2m is reported. Following two years of good performance, and exceptional legacy receipts, our reserves now stand at £11.3m.

Our total income was £12.5m, representing growth of 11% over the prior year, but falling 4% below budget. Legacy income is the main contributor to the shortfall to budget, as budgeted legacy receipts have been unexpectedly delayed and will now form part of the 2023/24 budgeted income.

Key areas of income growth during 2023/24 have been within Retail and Fundraising which have increased 14% and 34% respectively, compared to the prior year.

Expenditure has continued to be carefully managed during the year. However, inflationary cost pressures in staff costs, fuel and supplies have meant a 7% increase in overall expenditure compared to the prior year. Although, overall expenditure has remained in line with budget.

Fundraising & lottery

Net contribution from fundraising and lottery was ahead of budget in the year and ahead of the previous year, with promising growth being delivered in some key lines.

The strongest income stream was within the Lottery team, where weekly draw tickets achieved income of £697k, which is £21k ahead of budget and growth of 12% on the prior year.

Donations remained the strongest fundraising income stream which achieved less than last year, but was ahead of budget by some £29k achieving total income of £259k, this income stream includes one off donations, regular donations and major donations. In memory donations remained stable compared to the prior year, achieving income of £206k.

There were many stand out performances during the year including the "Around Cornwall in 38 Churns" project which raised £50k. Our annual Light up a Life event exceeded contribution of £30k for the first time since 2016 and there was also excellent success in the Community with the team raising £240k, ahead of budget by £35k.

Trust income struggled to maintain the successes of the previous years delivering £82k, a £24k shortfall from budget.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 1: Strategic Report (continued)

Unlike the prior year which continued to be affected by the Covid-19 pandemic there has been more stability during 2022/23, which has led to a more predictable environment. In light of this, we have initiated delivery of an overseas bespoke cycle challenge that will deliver in 2023/24, and have invested in updating resources to better equip the fundraising teams.

Lastly, gifts in Wills contributed £4.5M to our care in the year.

To everyone who has supported us, thank you. Without you, we would not be able to provide peace, comfort and calm when someone is nearing the end of their life.

Retail

Our network of shops has enjoyed a very successful year delivering a contribution to the cost of care of over £1.2m. Covid prompted a number of changes to the operating model during 2020 and 2021, and these have remained in place. Over 50,000 cars visited a donation centre during the year and over 1.1million items of donated stock were sold.

We operated through a network of 26 shops and three donation centres during the year. A number of shops were upgraded or relocated during the year, and we continue this investment activity with three new stores located in Penzance, Fowey and St Ives opening early in 2023/24.

By working closely with our recycling partners we have sought to reduce our environmental impact, working hard to ensure the maximum number of the goods donated to us are found a useful purpose and are kept away from landfill. We have found that the quality of items donated has increased during the year with around 45% being saleable (2021/22 35%), meaning less is needing to be recycled and therefore increasing our income per item.

Around 80 employees work in the retail business, and these have ably been supported by more than 350 volunteers during the year. The volunteer team have become ever more critical to the success that the division has enjoyed in recent times and the charity remains very grateful for their contributions.

Our People

The average number of staff employed across the organisation has increased from 249 to 259 full and part time permanent employees during the year. The number of volunteers who have actively supported the work of the charity in our hospices, shops, offices and at fundraising events has begun to grow again as we all become used to Covid being an ever present factor in our lives.

The over-arching aim of our people strategy remains to be an 'Employer of Choice' for Cornwall with this being delivered by;

- Providing meaningful work that meets the needs of both the organisation and the community
- Providing flexible working practices to meet the needs of an ever-changing workforce
- Placing an emphasis on performance through being efficient and effective
- Providing open, honest and transparent internal and external communication
- Putting patients, families, carers, friends and our people at the heart of everything we do.

People remain at the heart of everything that we do, we will continue to offer personal and professional development opportunities to ensure all of our people feel inspired, valued, supported and connected to the work of Cornwall Hospice Care. We continue to be a Real Living Wage employer with all employees receiving a basic hourly rate of pay of at least £10.90 from the beginning of 2023/24.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 1: Strategic Report (continued)

Gender Pay

The key measures from our gender pay report are set out below:

- A Mean gender pay gap of (plus) – 6.51%
- A Median gender pay gap of (minus) – 5.11%

Our Purpose and Values

These were developed with input from trustees, staff and volunteers during 2022/23 to form our new strategy for the period 2023-28. These were launched during April 2023 and have been well received across the Charity.

Our Purpose

Our Purpose is to provide compassionate, specialised end of life care for patients, their families and carers whilst guaranteeing our high quality standards. Together with our local community in Cornwall we will continue to make every day matter.

Our Value

We'll work together to achieve our purpose by following our values, which are:

- **Compassion** – the quality of being gentle, kind, caring and helpful.
- **Integrity** – being honest and having strong moral principles.
- **Togetherness** – valuing everyone who works or volunteers for our charity or uses our services, giving us all the information tools, independence and freedom to achieve.

Structure, governance and management

Status

The charity was incorporated on 21 December 2005, the company registration number is 05660401 and it is also a registered charity, registration number 1113140.

Governing document

The charity's governing document is its Memorandum and Articles of Association.

Charitable objects

The objects of Cornwall Hospice Care Limited are to provide help and relief to people suffering from cancer and other life-threatening illnesses by providing and promoting specialist palliative care to the people of Cornwall and the Isles of Scilly.

Organisational management

The company's governing body is a Board of Trustees whose members are elected by the members of the charity. The Board currently comprises 14 members and there are five sub-committees.

The charity has two wholly owned trading subsidiaries: Cornwall Hospice Care Trading Limited whose sole purpose is to raise funds for the charity by reselling purchased goods for profit, and Cornwall Hospice Care Lottery Limited, which raises funds through the operation of a lottery.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 1: Strategic Report (continued)

The Board and its Committees meet quarterly, or more regularly if required, to review policy and performance. The day-to-day management of the charity's affairs is delegated to the Chief Executive and the Executive team.

This year the Board and Committee meetings were all held quarterly. All trustees have continued to be invited to attend all Committee meetings. Actual attendance levels have been high for all Committees.

Members of the Board

The following were members of the Board during the year:

| | |
|-------------------------------|---------------------------------|
| Mr D W Renwick (Chair) | |
| | |
| Mrs S M Godzicz | |
| Dr S Hawkins | |
| Ms B Macintyre | <i>Resigned 8th July 2022</i> |
| Mr G Piercy | |
| | |
| Mrs S M Bamford | |
| Mrs L A Clarke | |
| Dr S Gupta | |
| Mr A C Naylor | |
| DR CJ Phillip | |
| Mrs D M R Roberts | <i>Appointed 27th June 2022</i> |
| Mrs L J Stubberfield | |
| Mr D Thomas | |
| Mr A J Whyte | |

Mr Martin Davis was appointed as a Director on 23rd June 2023.

Mrs Godzicz, Mr Renwick and Mr Piercy (appointed 16th May 2023) also served on the Boards of Cornwall Hospice Care Trading Limited and Cornwall Hospice Care Lottery Limited during the year.

Board members retire by rotation every 3 years and may offer themselves for re-election at that time, up to a maximum 9-year period of office. This can be extended in exceptional circumstances by an additional year as set out in our governance policy.

Board Committees

There are five sub- committees of the Board. Membership of these Committees during the year is set out below:

| <i>Clinical Services Committee</i> | <i>Finance Committee</i> | <i>Income Generation Committee</i> | <i>Governance Committee</i> | <i>Remuneration Committee</i> |
|------------------------------------|--------------------------|------------------------------------|-----------------------------|-------------------------------|
| Dr S Hawkins (Chair) | Mrs S M Godzicz (Chair) | Mr G Piercy (Chair) | Mr D Renwick (Chair) | Mr D W Renwick |
| DR C J Phillip | Mr A Naylor | Mr D Thomas | Dr S Hawkins | Dr S Hawkins |
| Mrs L J Stubberfield | Mr A J Whyte | Mrs L Clarke | Mrs S M Godzicz | Mrs S M Godzicz |
| Dr S Gupta | Mr D W Renwick | | Dr C Philip | Mr G Piercy |
| Mr D W Renwick | Dr S Hawkins | | Mrs L J Stubberfield | |
| Mrs D M R Roberts | Mrs S M Bamford | | Mr G Piercy | |
| | | | | |

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 1: Strategic Report (continued)

The table represents core membership only, but trustees are encouraged to attend any committee meeting should they so wish.

Recruitment and induction of Trustees

Recruitment of Trustees is done on an ongoing process to maintain a balance of members with a good mix of up to date and appropriate skill sets.

Trustee vacancies are advertised on our website and through other channels. Suitable candidates are interviewed and, depending on vacancies, are invited to become Trustees based on their skills and knowledge. New Trustees are introduced to the charity's workings by the existing Trustees and the executive team when appointed via a structured induction program.

Executive Officers

Chief Executive: Paul Brinsley

Director of Clinical Services: Gina Starnes

Finance Director & Company Secretary: Graham Clarke

Principal address and registered office

Mount Edgcumbe Hospice,
Porthpean Road
St Austell
Cornwall
PL26 6AB
www.cornwallhospicecare.co.uk

Advisers

Solicitors: **Michelmores LLP**
Woodwater House
Pynes Hill
Exeter, EX2 5WR

Auditors: **RRL**
Peat House
Newham Road
Truro, TR1 2DP

Investments: **ABDRN**
280 Bishopsgate, London
EX2M 4AG

Bankers: **Barclays Bank PLC**
14 King Street
Truro, TR1 2RB

RBC Brewin Dolphin
Vantage Point
Woodwater Park
Pynes Hill
Exeter, EX2 5FD

Related parties

The charity has two wholly owned subsidiaries, Cornwall Hospice Care Trading Limited and Cornwall Hospice Care Lottery Limited. Details of transactions with those parties are included in note 14 of the financial statements.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 1: Strategic Report (continued)

Report of the Chair

This last year has seen our hospice return to something more normal following the major disruptions caused by the pandemic. Our clinical teams have been free to provide the full range of services and our income generation teams have operated free of any covid restrictions.

Our beds have remained open, and our services have operated effectively throughout the year. I would like to thank all of our staff for their excellent work and dedication. The last year has been challenging, but we have been able to deliver some truly excellent results, both clinically and financially.

During the year we updated and refreshed our strategic plan, including our purpose, values and ambitions covering the period 2023-2028. This was done after seeking input from our staff and volunteers along with our patients, their families and other stakeholders. The plan that we have developed leaves us well placed to provide compassionate, specialised end of life care to our patients, their families and carers, whilst guaranteeing our high quality standards of care. Together with our local community in Cornwall we will continue to make every day matter.

We continue to provide 20 beds, ten at each of our hospices, while also maintaining our excellent Lymphoedema clinics, our range of community services and our education programmes for healthcare workers and care providers across Cornwall. During the year we were delighted to open a community hub inside our Redruth shop, bringing together for the first time the two sides of our charity under one roof.

We were pleased to receive feedback from two CQC inspection visits that took place during the year, leading to one rating of outstanding and one of good.

We had one retirement from the Board during the year; Beverly MacIntyre, our Chair of Income Generation left us in July. We were pleased to welcome two new Board members. Dom Roberts, joined the Board and Clinical Services Committee in June 2022. Martin Davis arrived in June 2023 and will also work on the clinical side.

As ever, I would like to thank my fellow trustees for their enthusiasm, hard work and contribution during the past year as we embarked on the exciting early stages of our new strategy.

David Renwick

Chair of Trustees

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 1: Strategic Report (continued)

Chief Executives Report

Cornwall Hospice Care is the charity that provides specialist palliative and end of life care to the people of Cornwall. We provide this through the following avenues:

- Our two inpatient units, at St Julia's in Hayle and Mount Edgcumbe in St Austell that provide high dependency care led by our doctors and nurses
- Our advice line that provides advice and support to healthcare professionals 24 hours a day 7 days a week
- Our lymphoedema service supporting patients
- Our community services providing outpatient services to patients and bereavement support to patients, carers and families.

I believe this care to be of the highest quality, evidence for which is described in this report and by our current CQC ratings of Outstanding and Good for our hospices.

Public benefit

The members of the Board have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning future activities. In particular, the members of the Board consider how planned activities will contribute to the aims and objectives set.

Aims and intended impact

The aim of the charity is to ensure the widest possible access to its specialist palliative care services throughout Cornwall. The intended impact is to reduce suffering of patients living with terminal conditions predominantly cancer related and to provide appropriate support to their families.

To support delivery of this care we have a governance structure through which we work critically reviewing our services; developing systems and processes that allow us to continually challenge ourselves and where necessary implement changes to improve our care. The structure includes Quality Assurance, Clinical Governance and the Clinical Services Committee, as well as quarterly scrutiny by the full Board of Trustees.

The last year has been a very positive one during which we have been able to maintain bed numbers across the two hospices at 20. It underlines our determination to provide the best possible end-of-life care for those patients in Cornwall who need us. This followed our pledge in the last Quality Account to increase salaries where appropriate, to mirror or exceed the NHS Agenda for Change pay scales. We also increased holiday allowances for clinical staff. The net result is an ability to recruit and retain the skilled staff we need.

We have also developed our Community Services to offer Neighbourhood Hub support clinics in locations towns and at our hospices, Community Friendship Cafés, Wellbeing Workshops and Bereavement Friendship Support Groups. We are often operating in collaboration with other organisations and charities and I see this collaboration developing as we all work together to offer exceptional support to those patients living with their conditions in our communities.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 1: Strategic Report (continued)

I continue to be humbled by the dedication and loyalty of our staff and volunteers. Each is a valued member of our one team and committed to ensuring we deliver the highest standard of care. Whether they are working on our frontline providing the care or in our shops and at fundraising events helping to fund that care, they are all an inspiration.

Paul Brinsley

Chief Executive

Our Ambitions 2023-2028

Our agreed ambitions for the period to up to March 2024 are set out below.

Our Ambitions

1. Work in partnership to grow our charity for the future, ensuring close working relationships across all our departments, We will also continue to work collaboratively with our external partners.
2. Develop our learning and education to ensure all our staff and volunteers and where relevant, those from our external partners have the knowledge, skills and competencies to fulfil their roles.
3. Raise sufficient funds to protect and grow our hospice services through a range of income generation activities.
4. Work towards lowering our environmental impact by implementing, where possible, sustainable systems and processes in all areas of the charity's operations.
5. Be innovative in our own individual areas, teams and across the charity to deliver continuous improvement in all we do.

Progress made during 2022/23

1. Work in partnership to develop community services to meet identified needs

The hospices have worked hard to reach out and work in partnership with our NHS, independent and charity sector colleagues to support a seamless service around the patient and their family. This piece of work is hugely important and continues to be an area where we strive to improve the whole system wide service.

Our own Community Services Team have introduced new services and locations throughout the year to expand our offer of practical help, with a focus on providing support for patients in their cares and to those who have been bereaved.

2. Ensure the clinical governance of the charity is fit for the future

During the year we have made good progress towards becoming Nurse led units. Our pay and benefits are now competitive with the NHS, leading to an improved ability to recruit and retain the skills required.

Our Advanced Nurse Practitioner (ANP) is well established and is available to support patients both in our hospices, but also in their own homes, and works collaboratively across care settings and specialities, to best support patients. This work has received positive feedback from patients, families and healthcare professionals.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 1: Strategic Report (continued)

Priorities for 2023-24

1. Future proof our Hospice buildings and systems

- We will as far as possible seek to future proof the life of our buildings by upgrading and making them as energy efficient as possible. This will not only extend the life of our buildings, but also generate cost savings.
- Continuing the work we did during 22/23, we will progress the implementation of automated patient record systems for the future.
- We will seek to improve privacy and dignity at our Mount Edgcumbe Hospice, with a project around the modernisation of our bed bays.

2. Ensuring continuation of a collaborative approach to enhance system wide knowledge and reach around end of life care.

- As well as maintaining our inpatient beds, we will continue to work with our NHS, independent and charity sector colleagues with the view to developing a system wide, seamless service, that centres around the patient and their family.
- We will continue with our vision to provide end of life education across the county, helping to ensure that staff at all levels, and in multiple settings are well equipped with the communication and listening skills required.

Risk Management and Internal Control

The Trustee Board has overall responsibility for the charity's risk management and internal control systems. Each Board Committee reviews risk in its own area at each of its meetings during the year. The Finance Committee, advised by management, supports the Board by monitoring an agreed program of internal audit activity, keeping key internal controls constantly under review.

The Board carries out a robust assessment of the principal risks facing the charity at each meeting, including those that threaten its business model, future performance, reputation or solvency. The Board risk register sets out the charity's key risks as assessed at any point in time and these are reviewed at each meeting by the Board.

The key strategic risks monitored during the year included a failure in our care and the risks to funding caused by staff and volunteer shortages across our income generation activities. The Board has set a risk framework and categorises risks by impact and likelihood and the necessary level of management or mitigation. The Board has also reviewed and agreed our risk appetite.

Going concern basis of accounting and long-term viability

The Directors carried out a review of the company's operating budget and cash flow projection for the coming year 2023/24 along with its strategic priorities. At the time they concluded that they have a reasonable expectation that the company had adequate resources to continue to operate for the foreseeable future, meeting its financial obligations as they fall due.

The Directors also monitor closely future expectation for legacy income, which continues to be supported by a strong pipeline. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

As part of its assessment of principal risks, CHC has also considered its viability over the longer term. Much of the funding we require is generated by our shops and other fundraising activities. The Board has reviewed long-term plans in each of these areas and is satisfied that the level of investment in staff, systems and new shops is appropriate and will help to generate the necessary income to ensure the continuing level of care.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 1: Strategic Report (continued)

Financial Review

The details of our financial performance for the year are set out in section 4 of this report. Management accounts are prepared each month and are reviewed by the executive team and the Board. Annual budgets for both income and expenditure are set and approved by the Board. The monthly management accounts set out performance against budget and against the previous year. At the end of each quarter, revised forecasts for the year are prepared by the finance team and presented to the Board through the Finance Committee.

An overall surplus result of £1.19m was recorded in the period which compared to a budgeted surplus of £1.92m. This result represents an improvement of £0.18m compared to the previous year. This is the second year where we have received an exceptional level of legacy income, which has boosted the bottom line surplus result for the year.

Our income generation teams have continued to have successful years, generating returns that were ahead of budget.

The financial performance is summarised in the table below:

| Financial Summary £000s | 2022/23 Actual | 2022/23 Budget | 2021/22 Actual |
|---|-------------------|-------------------|-------------------|
| Total Income | 12,523.2 | 13,015.0 | 11,295.9 |
| Expenditure | 11,078.9 | 11,090.7 | 10,321.1 |
| Operating Result | 1,444.3 | 1,924.3 | 974.7 |
| Gain / (loss) on investments & property | -251.0 | 0.0 | 29.7 |
| Gain / (loss) on disposal of fixed assets | 0.0 | 0.0 | 0.0 |
| Gain / (Loss) on pension scheme provision | | 0.0 | |
| Surplus / deficit | 1,193.2 | 1,924.3 | 1,004.4 |

Income

The table below sets out a summary of income as recorded in our management accounts for the year and included in the notes to the financial statements.

The total income earned in the year grew to £12.5m which was £0.5m (4.35%) less than budget but £1.2m (11%) better than last year. We enjoyed a very positive result in legacies, where the total amount of gifts in wills left to us was £4.5m in the year, our best ever result. This income came from 53 estates with gifts ranging in value from £500 up to £2.6m.

The pipeline of known legacy receipts remains strong and we remain confident that we are heading for another strong performance in 2023/24.

Fundraising income came in below budget for the year, due to the removal of a couple of events from the calendar due to capacity. Retail income exceeded budget for the year by over £0.17m.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 1: Strategic Report (continued)

| Income Summary £000s | 2022/23 Actual | 2022/23 Budget | 2021/22 Actual |
|--------------------------------|-------------------|-------------------|-------------------|
| Legacies | 4,479.0 | 5,200.0 | 3,716.7 |
| Donations | 465.2 | 454.7 | 528.7 |
| Fundraising | 785.9 | 811.7 | 585.1 |
| Gross income from Retail | 4,593.0 | 4,421.3 | 4,024.2 |
| Gross income from Lottery | 759.4 | 749.1 | 703.5 |
| Income from clinical contracts | 1,102.9 | 1,102.9 | 1,060.5 |
| Covid 19 Grants | 0.0 | 0.0 | 335.5 |
| Investment Income | 99.9 | 116.1 | 93.6 |
| All other income | 237.9 | 159.1 | 248.1 |
| Total Income | 12,523.2 | 13,015.0 | 11,295.9 |

Expenditure

Total expenditure for the year was as budgeted at £11.1m, representing growth of £0.8m (7%) compared to last year. The growth in expenditure was expected as a result of inflationary pressure on staff costs, fuels and supplies.

Actual expenditure for the year was in line with budget at £11.1m. The growth in expenditure compared to the previous years arises due to the inflationary pressures during the year around fuel costs, staff costs and the cost of living crisis and the known on effect that these had on other supplies used in patient care.

The table below sets out the summary of expenditure incurred.

| Expenditure Summary £000s | 2022/23 Actual | 2022/23 Budget | 2021/22 Actual |
|---------------------------|-------------------|-------------------|-------------------|
| Retail | 3,457.8 | 3,399.1 | 3,203.8 |
| Lottery | 324.2 | 326.0 | 294.2 |
| Cost of raising funds | 521.3 | 474.9 | 419.1 |
| Provision of care | 6,627.5 | 6,740.6 | 6,229.3 |
| Support costs | 148.1 | 150.0 | 174.7 |
| Total Expenditure | 11,078.9 | 11,090.7 | 10,321.1 |

Gain on investments

The value of the hospice listed investment portfolio reduced by £251k. Markets, and particularly bond markets which have historically been used to mitigate risk, have experienced much volatility throughout the year which has led to this reduction in year end valuation.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 2: Directors Report

Reserves policy

The Board through the Finance Committee review the reserves policy annually. We recognise that we need to treat the management of the charity's reserves as an integral part of the strategic planning process, in order to develop and maintain the delivery of our services in the best interests of our beneficiaries. We review the level of free reserves required based on an assessment of the major financial risks to which the charity is exposed, and by maintaining and updating a longer-term financial plan.

As with previous years, the commissioning and funding of all NHS care service provision continues to bring uncertainty, but this was mitigated by the renewal of our contract reported above. Uncertainty in the general economic climate, the increasing cost of living and ever-growing competition from other charities, along with a continued difficulty to recruit members of staff with the required skills and experience, continue to pose challenges to our retail, fundraising and voluntary giving activities.

Financial Resilience

Total free reserves of £5.0m were held by the charity at 31st March 2023. This comprises a general reserve equating to 3 months running costs plus a balance of £2m, which the Trustees believe it is necessary to retain given the strategic risk factors identified above, the continued unpredictability of vital legacy income and the current uncertainties within the economic climate and retail environment.

It is also worth identifying here that Note 30 details legal operating lease commitments within 5 years of of £3.5m (2022: £2.3m) which would need to be provided for from these reserves, in the extremely unlikely event that the charity is forced into closure.

As in previous years, the Board has continued its policy of designating funds from reserves to cover short- and medium-term expenditure, which it recognises may not be covered by a guaranteed income stream. In previous years, designated funds have included amounts for the roll out of our community services. We now see these as part of our core service and will not include them here.

Volunteers

The Board would like to place on record once again its grateful thanks to the hospice volunteers, fundraising groups and shops volunteers for their continued and unstinting support. It is also grateful to the general public who have been so generous to the hospices over the years by donating funds and second hand goods to our shops, playing our lottery and supporting our fundraising events.

Fundraising Compliance

We comply with all relevant statutory regulations including the Charities Act 2011, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 2018, the Privacy and Electronic Communications Regulations 2003, the Telephone Preference Service and the Mailing Preference Service.

We are also registered with the Fundraising Regulator and the Gambling Commission and are committed to upholding the standards of the Code of Fundraising Practice. We have committed to honest, fair and open fundraising activity and protecting the financial position of those who may be vulnerable. To the best of our knowledge, we have met these standards. The Fundraising Preference Service (FPS) was launched in July 2017 and we have taken steps to ensure we comply with any requests highlighted by them. For the year just ended there were no suppression requests.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 2: Directors Report (continued)

During the year we utilised a wide range of fundraising activities to raise money to fund the services we provide. These include sponsored events, corporate sponsorship, community support, mostly held virtually this year. Donations, our lottery and bumper draws have continued in the usual way.

The majority of the work is carried out by our staff and our volunteers. In addition, we use third party companies as canvassers to recruit for our lottery and delivery staff for events held domestically and overseas.

We monitor fundraising activities carried out on our behalf with randomised follow up calls to supporters, regular meetings and regular training, the results of which are reported to our Income Generation Committee. No formal complaints were received in the last year.

Executive Remuneration

As a specialist medical charity directly employing highly skilled clinical staff including nurses, therapists, doctors and consultants to deliver our services, the Board is mindful of the need to have equally well qualified and skilled senior managers to carry the responsibility for the day to day operation of the two hospices including the responsibility to raise the funds needed to ensure continuity of care. The Board, through the Remuneration Committee, has carefully considered the remuneration of the senior staff including the Chief Executive, Finance Director and the Director of Clinical Services. The Board is satisfied that the remuneration offered is appropriate to the level of responsibility held and in line with market rates for roles in similar sized charitable organisations delivering specialist medical care.

Investment policy and objectives

The Board has approved an investment policy which requires a balanced return from income and capital growth and whose primary focus is the preservation of the capital value of the portfolio sum. In order to achieve this, the Board has set a target annual minimum return on the value of the portfolio, which is directly related to the level of risk attached to the investments.

The investment portfolio has continued to be managed jointly by Aberdeen Standard Capital and Brewin Dolphin.

A quarterly report detailing the portfolio performance is prepared and scrutinised by the Finance Committee. The annual return on the portfolio for the year exceeded the Board's stated minimum requirement.

The charity also owns three properties, other than the hospice buildings. Two of these are used for our own retail operation. The other is rented to a third party to produce an income stream and we also sublet part of one of our leased premises to produce an additional income stream.

Other surplus cash holdings are invested in short term bank deposits, earning a low rate of interest, but are readily available to meet any short-term cash requirements. During the year we have continued to utilise the Insignis treasury management facility.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 2: Directors Report (continued)

Our impact on the environment

Cornwall Hospice Care is committed acting in ways that minimise the impact of its activities on the environment. Some of the things we have done during the year to help us achieve this are set out below:

- Continued with only providing reused bags or our own paper bags throughout our retail network and not shrink wrapping furniture prior to delivery
- Began a programme of replacing end of life light fittings with LED lighting, which will reduce power consumption.
- The solar panels installed at St Julia's hospice generated over 15,000 kwh of power during the year.
- We have been exploring the options and viability of becoming carbon neutral across our two inpatient units.
- We have introduced a number of awareness strategies across the organisation which are aimed at reducing power wastage.

Tax status

Cornwall Hospice Care Limited, being a registered charity, is exempt from corporation tax on its investment and other non-trading income.

Accounting and reporting responsibilities of the Board

The members of the Board constitute directors of the company for the purposes of the Companies Act. They are responsible for preparing the Report of the Members of the Board and the financial statements in accordance with applicable law and regulations.

Law applicable to companies in England and Wales requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the group and company and of the net incoming or outgoing resources of the group for that year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 2019 (FRS 102)
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of group and company and to prevent and detect fraud and other irregularities.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 2: Directors Report (continued)

Statement of disclosure to auditor

So far as the members of the Board are aware, there is no relevant audit information of which the charity's auditors are unaware. Additionally, the members of the Board have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

By order of the Board



G I Clarke
Company Secretary

07/11/23

Porthpean Road
St Austell
Cornwall

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 3: Independent auditors' report to the members of Cornwall Hospice Care Limited

Opinion

We have audited the financial statements of Cornwall Hospice Care Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 of which comprise of the group statement of financial activities, group and company balance sheet, group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company'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.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 3: Independent auditors' report to the members of Cornwall Hospice Care Limited (continued)

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

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

- adequate and sufficient 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 3: Independent auditors' report to the members of Cornwall Hospice Care Limited (continued)

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. 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.

As part of our audit work, we obtained an understanding of the legal and regulatory frameworks applicable to the group and the sector in which it operates. We determined that compliance with the Care Quality Commission, regulations relating to safeguarding, health and safety and the Gambling Act 2005 were most significant to the group as well as the laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Companies Act 2006 and compliance with the Charities Statement of Recommended Practice.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Review of the disclosures in the financial statements and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustee meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Cornwall Hospice Care Limited (Limited by Guarantee)

Section 3: Independent auditors' report to the members of Cornwall Hospice Care Limited (continued)

Our audit approach also considered the opportunities and incentives that may exist within the charitable company for fraud and identified the greatest potential for fraud being in respect of cut off and completion risk around revenue recognition. Under ISA (UK) we are also required to undertake procedures to respond to the risk of management override of controls. Our procedures included the following:

- Undertaking transactional testing on revenue
- Undertaking transactional testing on legacy income which specifically considers whether recognition is in line with the requirements of the accounting standards
- Performing cut off testing on income
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business
- Reviewing estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making estimates.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RRL LLP

Josh Stevens ACA

Senior Statutory Auditor

For and on behalf of RRL LLP

Statutory Auditors

Peat House

Newham Road

TRURO

Cornwall

TR1 2DP

14/11/2023

Cornwall Hospice Care Limited (Limited by Guarantee)

Consolidated statement of financial activities

For the year ended 31 March 2023

| | Notes | Unrestricted funds £ | Restricted funds £ | Total 2023 £ | Total 2022 £ |
|--|----------|----------------------------|--------------------------|--------------------|--------------------|
| Income | | | | | |
| Donations & legacies | 4 | 4,908,158 | 36,000 | 4,944,158 | 4,245,432 |
| Income from Charitable Activities | 5 | 1,102,884 | - | 1,102,884 | 1,060,463 |
| Income from Other Trading Activities: | | | | | |
| Commercial trading operations | 6 | 5,352,362 | - | 5,352,362 | 4,727,712 |
| Fundraising | 6 | 785,945 | - | 785,945 | 585,128 |
| Covid-19 support income | 7 | - | - | - | 335,473 |
| Other income | | 237,934 | - | 237,934 | 248,099 |
| Investment income | 8 | 99,915 | - | 99,915 | 93,559 |
| Total Income | | 12,487,198 | 36,000 | 12,523,198 | 11,295,866 |
| Expenditure | | | | | |
| Expenditure on raising funds | | | | | |
| Commercial trading activities | | 3,782,000 | - | 3,782,000 | 3,497,975 |
| Costs of generating donations and legacies | | 492,094 | - | 492,094 | 391,124 |
| Investment portfolio fees | | 29,240 | - | 29,240 | 28,009 |
| Expenditure on charitable activities | | | | | |
| Provision of care | | 6,603,026 | 24,469 | 6,627,495 | 6,229,245 |
| Support costs | | 148,091 | - | 148,091 | 174,747 |
| Total Expenditure | 9 | 11,054,451 | 24,469 | 11,078,920 | 10,321,100 |
| Net (losses)/gains on investments | | (251,040) | - | (251,040) | 39,002 |
| Net income/(expenditure) | | 1,181,707 | 11,531 | 1,193,238 | 1,013,768 |
| Other recognised gains and losses | | | | | |
| Loss on disposal of investment property | | - | - | - | (9,381) |
| Net movement in funds | | 1,181,707 | 11,531 | 1,193,238 | 1,004,387 |
| Reconciliation of funds: | | | | | |
| Fund balances brought forward | | 9,360,657 | 729,329 | 10,089,986 | 9,085,599 |
| Fund balances carried forward | 27,28,29 | 10,542,364 | 740,860 | 11,283,224 | 10,089,986 |

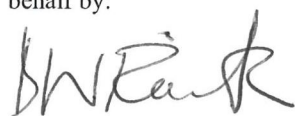
Cornwall Hospice Care Limited (Limited by Guarantee)

Balance sheet

As at 31 March 2023

| | Notes | The Company 2023 £ | The Group 2023 £ | The Company 2022 £ | The Group 2022 £ |
|---|-------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Fixed assets | | | | | |
| Tangible assets | 18,19 | 4,136,110 | 4,144,910 | 4,162,820 | 4,176,020 |
| Intangible assets | 20 | - | - | - | - |
| Investments | 21 | 4,613,283 | 4,613,278 | 4,817,568 | 4,817,563 |
| | | <u>8,749,393</u> | <u>8,758,188</u> | <u>8,980,388</u> | <u>8,993,583</u> |
| Current assets | | | | | |
| Stock | 22 | 12,370 | 85,709 | 20,979 | 96,277 |
| Debtors | 23 | 463,067 | 472,240 | 751,448 | 622,295 |
| Cash at bank and in hand | | 2,923,888 | 2,976,245 | 906,580 | 1,109,661 |
| | | <u>3,399,325</u> | <u>3,534,194</u> | <u>1,679,007</u> | <u>1,828,233</u> |
| Creditors: amounts falling due within one year | 24 | <u>(1,013,484)</u> | <u>(1,009,158)</u> | <u>(614,127)</u> | <u>(731,830)</u> |
| Net current assets | | <u>2,385,841</u> | <u>2,525,036</u> | <u>1,064,880</u> | <u>1,096,403</u> |
| Total net assets | | <u>11,135,234</u> | <u>11,283,224</u> | <u>10,045,268</u> | <u>10,089,986</u> |
| The funds of the charity | | | | | |
| Restricted funds | 27 | 740,860 | 740,860 | 729,329 | 729,329 |
| Unrestricted funds | 28 | 10,394,374 | 10,542,364 | 9,315,939 | 9,360,657 |
| Total funds | | <u>11,135,234</u> | <u>11,283,224</u> | <u>10,045,268</u> | <u>10,089,986</u> |

These financial statements were approved by the Members of the Board on 7/4/23 and were signed on its behalf by:



DW Renwick

Director

Company registration no.: 05660401

Cornwall Hospice Care Limited (Limited by Guarantee)

Consolidated cash flow statement

For the year ended 31 March 2023

| | Note | 2023 | 2022 |
|--|------|------------------|--------------------|
| | | £ | £ |
| Cash provided by operating activities | 34 | 2,090,428 | 1,728,350 |
| Cash flows from investing activities | | | |
| Interest income | | 5,020 | 228 |
| Dividends income | | 73,595 | 52,973 |
| Rental income from investment property | | 21,300 | 40,358 |
| | | 99,915 | 93,559 |
| Purchase of tangible fixed assets | | (276,998) | (147,394) |
| Purchase of investments | | (1,422,911) | (1,993,227) |
| Receipts from sale of investments | | 1,376,150 | 824,662 |
| Net cash (outflows)/inflows from investing activities | | (323,759) | (1,315,959) |
| Increase in cash equivalents | | 1,866,584 | 505,950 |
| Cash and cash equivalents at 1 April 2022 | | 1,109,661 | 603,711 |
| Cash and cash equivalents at 31 March 2023 | | 2,976,245 | 1,109,661 |

All of the cash flows are derived from continuing operations during the above two periods.

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

1 Constitution

The charity is a company limited by guarantee, domiciled in England and Wales, registration number 05660401 and does not have a share capital. In the event of the charity being wound up each member is liable to contribute a sum not exceeding £10. There were 13 members at 31 March 2023 (2022: 13). The registered office is recorded in the Trustees' report.

2 Consolidation

The consolidated financial statements incorporate the financial statements of Cornwall Hospice Care Limited and its subsidiary undertakings Cornwall Hospice Care Trading Limited, Cornwall Hospice Care Lottery Limited and Resource Kernow Newco Ltd.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

3 Accounting policies

3.1 Accounting convention

The financial statements have been prepared on a going concern basis and in accordance with Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS 102 and the Companies Act 2006.

Cornwall Hospice Care Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

3.2 Going concern

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

3.3 Tangible fixed assets and depreciation

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

| | |
|--------------------------------|---|
| Freehold buildings | 2% per annum at cost (minor refurbishment costs 100%) |
| Short leasehold improvements | over the period of the lease |
| Long leasehold buildings | 2% per annum (minor refurbishment costs 100%) |
| Medical equipment and fittings | 10% per annum |
| I.T. equipment | 15% - 25% per annum on cost |
| General equipment and fittings | 10% - 100% per annum |
| Motor vehicles | 20% per annum |

Depreciation is calculated on a monthly basis where assets are purchased during the year.

No depreciation is provided on freehold land.

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

3.4 *Fixed asset investments*

Investments are stated in the financial statements at fair/market value. Unrealised gains on investments are calculated by reference to the difference between fair/market value from one year to the next. Realised gains or losses are calculated by reference to the difference between proceeds of sale and the carrying value of the investment at the previous year end.

3.5 *Operating leases*

Rentals under operating leases are charged on a straight line basis over the lease term.

3.6 *Stocks*

Stocks are valued at the lower of cost and net realisable value.

Donated items of stock are not valued at time of receipt but income from them is recognised at point of sale. The Trustees opted to continue this policy due to the amount of time, cost and administration involved in the exercise of valuing donated stock. For a charity the size of Cornwall Hospice Care Limited, the Trustees took the view that this is not practical.

3.7 *Income*

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Legacies are deemed receivable from the date of notification, provided that sufficient information has been received to enable a reliable measure of the amount receivable to be made. Recognition of a legacy, in whole or in part, is only made when the amount can be measured accurately and the charity has been notified of the executor's intention to make a distribution. This valuation method reflects the inherent uncertainty as a substantial proportion of legacy income is represented by property and other investments whose value is subject to market fluctuations until realised. Residuary legacies are valued in line with these considerations.

Investment income is credited to the statement of financial activities on a receivable basis.

3.8 *Grants receivable & deferred income*

Grants receivable are recognised as incoming resources in the year to which they relate. Grants are deferred where they relate to a specified future period. They may be repayable in certain circumstances.

3.9 *Expenditure*

The majority of costs are directly attributable to specific activities. Shared costs are apportioned to the activities in furtherance of the objects of the charity on the basis of estimated usage by each cost centre of the services provided. Irrecoverable VAT is included within expenditure.

3.10 *Investment properties*

In accordance with Charities SORP (FRS 102):

- i) investment properties are revalued annually by the Board on an open market basis (fair value) and the aggregate surplus or deficit is recognised through the Statement of Financial Activities, and
- ii) no depreciation is provided in respect of freehold investment properties.

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

3.11 *Pensions*

The pension costs charged in the financial statements represent the contributions payable by the group during the year in accordance with FRS 102. Defined benefit pension funds have been accounted for as defined contribution schemes since these are multi-employer schemes and the group has been unable to identify its share of the underlying assets or liabilities of these funds.

3.12 *Funds*

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets the criteria is identified to the fund, together with a fair allocation of overheads and support costs.

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

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

3.13 *Provisions for liabilities*

Provisions for expenditure are included within the financial statements when it has been determined that there is a present obligation as a result of a past event, there is a probability that an amount will be payable and that a reliable estimate can be made of the obligation.

3.14 *Judgements and key sources of estimation uncertainty*

In the application of the group'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.

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

4 Donations and legacies

| | 2023 £ | 2022 £ |
|-----------|-----------|-----------|
| Legacies | 4,478,984 | 3,716,722 |
| Donations | 465,174 | 528,710 |
| | <hr/> | <hr/> |
| | 4,944,158 | 4,245,432 |
| | <hr/> | <hr/> |

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements.

5 Income from charitable activities

| | 2023 £ | 2022 £ |
|---------------------------|-----------|-----------|
| Health authority contract | 1,102,884 | 1,060,463 |
| | <hr/> | <hr/> |

6 Income from trading activities

Commercial operations

| | 2023 £ | 2022 £ |
|---------------------------|-----------|-----------|
| Gross Income from shops | 4,592,962 | 4,024,184 |
| Gross Income from Lottery | 759,400 | 703,528 |
| | <hr/> | <hr/> |
| | 5,352,362 | 4,727,712 |
| | <hr/> | <hr/> |

Fundraising

| | 2023 £ | 2022 £ |
|------------------------|-----------|-----------|
| Trusts and grants | 82,488 | 124,746 |
| Fundraising activities | 703,457 | 460,382 |
| | <hr/> | <hr/> |
| | 785,945 | 585,128 |
| | <hr/> | <hr/> |

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

7 Covid-19 support grant income

| | Group 2023 £ | Group 2022 £ |
|-----------------------------------|--------------------|--------------------|
| Grant income from NHS England | - | 192,023 |
| Job Retention Scheme grant income | - | 21,160 |
| Local Authority grant income | - | 122,290 |
| | <hr/> | <hr/> |
| | - | 335,473 |
| | <hr/> | <hr/> |

8 Investment income

| | Group 2023 £ | Group 2022 £ |
|--------------------|--------------------|--------------------|
| Property | 21,300 | 40,358 |
| Bank interest | 5,020 | 228 |
| Listed investments | 73,595 | 52,973 |
| | <hr/> | <hr/> |
| | 99,915 | 93,559 |
| | <hr/> | <hr/> |

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

9 Total expenditure - group

| | Provision of care £ | Raising funds £ | Commercial trading expenses £ | Support costs £ | 2023 Total £ | 2022 Total £ |
|----------------------------------|---------------------------|-----------------------|--|-----------------------|--------------------|--------------------|
| Staff costs | 5,666,771 | 305,932 | 1,886,158 | 30,716 | 7,889,577 | 7,549,239 |
| Patient care | 104,604 | - | - | - | 104,604 | 40,168 |
| Medical supplies & drugs | 66,390 | - | - | - | 66,390 | 69,926 |
| Catering & domestic supplies | 71,616 | - | - | - | 71,616 | 59,469 |
| Travel expenses | 13,946 | - | - | - | 13,946 | 11,804 |
| Training & education | 50,997 | - | 309 | - | 51,306 | 52,449 |
| Laundry | 16,281 | - | - | - | 16,281 | 13,331 |
| Electricity & Gas | 71,036 | - | - | - | 71,036 | 44,013 |
| Telephone | 43,111 | - | - | - | 43,111 | 54,430 |
| Rates and water | 3,472 | - | - | - | 3,472 | 18,234 |
| Uniforms | 6,689 | - | - | - | 6,689 | 3,268 |
| Printing, Postage and stationery | 36,652 | - | 10,327 | - | 46,979 | 33,241 |
| Insurance | 33,728 | - | - | - | 33,728 | 37,488 |
| Repairs and maintenance | 144,366 | - | - | - | 144,366 | 119,846 |
| Depreciation | 147,344 | - | 160,770 | - | 308,114 | 278,118 |
| Direct fundraising costs | - | 95,012 | - | - | 95,012 | 46,242 |
| Department fundraising costs | - | 61,105 | - | - | 61,105 | 56,953 |
| Banking charges | - | 3,598 | 16,490 | - | 20,088 | 18,923 |
| Administration charge | 150,492 | 14,507 | 105,592 | - | 270,591 | 197,238 |
| Audit and accountancy | - | - | - | 18,058 | 18,058 | 15,302 |
| Legal and professional fees | - | - | - | 99,317 | 99,317 | 113,650 |
| Irrecoverable VAT | - | 11,940 | - | - | 11,940 | 11,291 |
| Cost of sales | - | - | 295,652 | - | 295,652 | 267,718 |
| Shops operating expenses | - | - | 1,294,698 | - | 1,294,698 | 1,167,499 |
| Investment portfolio fees | - | 29,240 | - | - | 29,240 | 28,009 |
| Staff relocation & recruitment | - | - | 12,004 | - | 12,004 | 13,251 |
| | <u>6,627,495</u> | <u>521,334</u> | <u>3,782,000</u> | <u>148,091</u> | <u>11,078,920</u> | <u>10,321,100</u> |

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

10 Expenditure – analysis of governance and support costs

The charity identifies those costs which relate to the governance function. These costs are displayed within note 9 and the statement of financial activities under “Support costs” and relate to the support costs of running the charities main charitable activity. Their detail along with basis of apportionment is shown in the table below:

| | Governance function £ | Basis of apportionment |
|------------------------|--------------------------------------|----------------------------------|
| Staff costs | 30,716 | Key management allocated on time |
| Audit and accountancy | 18,058 | Governance |
| Legal and professional | 99,317 | Governance |
| | 148,091 | |

11 Net income/(expenditure) for the year

This is stated after charging the following:

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Auditors’ remuneration – audit (group) | 18,058 | 15,302 |
| Operating leases | 722,782 | 697,340 |
| Depreciation (group) | 308,114 | 278,118 |

12 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

The average monthly head count of staff employed by the group (excluding Trustees) during the year was as follows:

| | 2023 | 2022 |
|----------------------|-------------|-------------|
| Staff and management | 259 | 249 |

The aggregate payroll costs of these persons were as follows:

| | 2023 £ | 2022 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 6,785,031 | 6,450,178 |
| Social security costs | 616,019 | 566,357 |
| Other pension costs | 488,527 | 517,576 |
| Termination payments | - | 15,128 |
| | 7,889,577 | 7,549,239 |

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (cont'd)

Other pension costs represent employer's defined contributions towards the employees NHS Scheme and the Standard Life Scheme. Board members received no remuneration during the year.

Six employees had annualised emoluments for the year in excess of £60,000 and fell into the following bands:

| | 2023 | 2022 |
|----------------------|------|------|
| £60,000 to £70,000 | 2 | 6 |
| £70,000 to £80,000 | 2 | 4 |
| £80,000 to £90,000 | 1 | - |
| £90,000 to £100,000 | 1 | 1 |
| £100,000 to £110,000 | - | - |
| £110,000 to £120,000 | - | - |

The key management personnel of the group comprise of the Chief Executive, Finance Director and Director of Clinical Services. The combined employee benefits of these three personnel totalled £336,436 (2022: £324,877, three personnel). In the prior year Cornwall Hospice Care Limited employed four consultants, who were paid at the NHS rate, these consultants were included in the bandings above for 2022.

13 Pension costs

Defined benefit scheme:

NHS pension scheme

The charity contributes on behalf of its employees to the National Health Service pension scheme.

The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. As a consequence it is not possible for the charity to identify its share of the underlying scheme.

The pension cost charge for the period amounted to £235,670 (2022: £260,496).

Contributions amounting to £32,096 (2022: £31,588) were payable to the Fund at 31 March 2023 and are included in other creditors.

Standard Life Scheme

The charity operates a Group Personal Pension Scheme for those people not in the NHS Pension Scheme. The Scheme came into effect on 1 April 2008, and the charity makes voluntary contributions (currently up to 10% of salary) to the Scheme on behalf of each employee, as the Scheme Contract is between the employee and Standard Life.

Auto Enrolment

The charity is fully compliant with the auto enrolment legislation regarding pension schemes. The Standard Life Scheme was modified in April 2014 to incorporate the requirements of auto enrolment, and for those employees who are not members of the NHS Pension Scheme, offers to match employees' pension contributions up to a maximum of 5% (10% for Senior Executive Team) of salary, which exceeds the current minimum requirements under legislation.

The pension cost charge for the period amounted to £252,857 (2022: £257,370).

Contributions amounting to £36,522 (2022: £35,707) were payable to the Fund at 31 March 2023 and are included in other creditors.

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

14 Related party transactions

The charity has taken advantage of the exemption available not to disclose intra-group related party transactions.

No trustee expenses have been incurred during the year (2022: £Nil).

Further details in relation to related party transactions can be found in note 33.

15 Subsidiaries

The charity owns the whole of the issued ordinary share capital of Cornwall Hospice Care Trading Limited (registration number: 05724233) and Cornwall Hospice Care Lottery Limited (registration number: 05724116), both of which are registered in England and Wales. The subsidiaries operate the sale of bought in goods through the charity's shops and a lottery respectively. All activities have been consolidated on a line by line basis in the statement of financial activities.

Resource Kernow Newco Ltd was a dormant subsidiary that was no longer required and as such was dissolved during the year.

A summary of the results of the subsidiaries is shown below:

| | Cornwall Hospice Care Trading Limited £ | Cornwall Hospice Care Lottery Limited £ | Resource Kernow Newco Ltd £ | Total 2023 £ | Total 2022 £ |
|---|--|--|--|-----------------------------|-----------------------------|
| <i>Per company accounts</i> | | | | | |
| Turnover | 200,706 | 759,400 | - | 960,106 | 889,086 |
| Cost of sales | (91,782) | (203,867) | - | (295,649) | (267,719) |
| Administrative expenses | (50,374) | (120,356) | - | (170,730) | (162,534) |
| Interest receivable | 4,258 | - | - | 4,258 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 62,808 | 435,177 | - | 497,985 | 458,833 |
| Amount distributed to the charity via Gift Aid | (44,287) | (350,447) | - | (394,734) | (474,652) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Result in the subsidiary | 18,521 | 84,730 | - | 103,251 | (15,819) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

The assets and liabilities of the subsidiaries were:

| | Cornwall Hospice Care Trading Limited £ | Cornwall Hospice Care Lottery Limited £ | Resource Kernow Newco Ltd £ | Total 2023 £ |
|--------------------------------------|--|--|--|-----------------------------|
| <i>Per company accounts</i> | | | | |
| Fixed Assets | - | 8,800 | | 8,800 |
| Current assets | 104,398 | 181,996 | - | 286,394 |
| Current liabilities | (41,586) | (105,618) | - | (147,204) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total net assets | 62,812 | 85,178 | - | 147,990 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Aggregate share capital and reserves | 62,812 | 85,178 | - | 147,990 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

16 Financial Performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries as highlighted in note 15.

The summary financial performance of the charity alone is:

| | Total 2023 £ | Total 2022 £ |
|--------------------------------------|-----------------------------|-----------------------------|
| Income | 11,627,374 | 10,494,817 |
| Gift aid from subsidiaries | 394,734 | 474,652 |
| | 12,022,108 | 10,969,469 |
| Expenditure on charitable activities | 10,932,142 | 9,949,240 |
| Net income | 1,089,966 | 1,020,229 |
| Total funds brought forward | 10,045,268 | 9,025,039 |
| Total funds carried forward | 11,135,234 | 10,045,268 |
| Represented by: | | |
| Restricted funds | 740,860 | 729,329 |
| Unrestricted funds | 10,394,374 | 9,315,939 |
| Total funds carried forward | 11,135,234 | 10,045,268 |

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

17 Comparative period statement of financial activities

| Consolidated | Unrestricted funds | Restricted funds | Total 2022 |
|--|--------------------|------------------|-------------------|
| | £ | £ | £ |
| Income | | | |
| Donations & legacies | 4,245,432 | - | 4,245,432 |
| Income from Charitable Activities | 1,060,463 | - | 1,060,463 |
| Income from Other Trading Activities: | | | |
| Commercial trading operations | 4,727,712 | - | 4,727,712 |
| Fundraising | 585,128 | - | 585,128 |
| Covid-19 support income | 143,450 | 192,023 | 335,473 |
| Other income | 248,099 | - | 248,099 |
| Investment income | 93,559 | - | 93,559 |
| Total Income | 11,103,843 | 192,023 | 11,295,866 |
| Expenditure | | | |
| Expenditure on raising funds | | | |
| Commercial trading activities | 3,497,975 | - | 3,497,975 |
| Costs of generating donations and legacies | 391,124 | - | 391,124 |
| Investment portfolio fees | 28,009 | - | 28,009 |
| Expenditure on charitable activities | | | |
| Provision of care | 6,016,353 | 212,892 | 6,229,245 |
| Support costs | 174,747 | - | 174,747 |
| Total Expenditure | 10,108,208 | 212,892 | 10,321,100 |
| Net gains on investments | 39,002 | - | 39,002 |
| Net income/(expenditure) | 1,034,637 | (20,869) | 1,013,768 |
| Other recognised gains and losses | | | |
| Gain on disposal of fixed assets | - | - | - |
| Loss on disposal of investment property | (9,381) | - | (9,381) |
| Pension Liability | - | - | - |
| Net movement in funds | 1,025,256 | (20,869) | 1,004,387 |
| Reconciliation of funds: | | | |
| Fund balances brought forward | 8,335,401 | 750,198 | 9,085,599 |
| Fund balances carried forward | 9,360,657 | 729,329 | 10,089,986 |

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

18 Tangible fixed assets – company

| | Freehold land and buildings £ | Short leasehold improvements £ | Equipment & fittings £ | Motor vehicles £ | IT Equipment & Software £ | Total £ |
|--------------------------|-------------------------------------|---|------------------------------|------------------------|------------------------------------|------------|
| Cost or valuation | | | | | | |
| At 1 April 2022 | 5,817,272 | 1,270,719 | 964,787 | 188,411 | 276,968 | 8,518,157 |
| Additions | 10,879 | 118,692 | 114,412 | - | 33,021 | 277,004 |
| Disposals | - | - | - | - | - | - |
| At 31 March 2023 | 5,828,151 | 1,389,411 | 1,079,199 | 188,411 | 309,989 | 8,795,161 |
| Depreciation | | | | | | |
| At 1 April 2022 | 2,234,083 | 989,840 | 729,090 | 153,571 | 248,753 | 4,355,337 |
| Charge for the year | 112,019 | 103,581 | 39,841 | 21,149 | 27,124 | 303,714 |
| Released on disposal | - | - | - | - | - | - |
| At 31 March 2023 | 2,346,102 | 1,093,421 | 768,931 | 174,720 | 275,877 | 4,659,051 |
| Net book value | | | | | | |
| At 31 March 2023 | 3,482,049 | 295,990 | 310,268 | 13,691 | 34,112 | 4,136,110 |
| At 31 March 2022 | 3,583,189 | 280,879 | 235,697 | 34,840 | 28,215 | 4,162,820 |

Freehold land and buildings includes land at cost of £121,020 (2022: £121,020) on which no depreciation is charged.

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

19 Tangible fixed assets – group

| | Freehold land and buildings £ | Short leasehold improvements £ | Equipment & fittings £ | Motor vehicles £ | IT Equipment & Software £ | Total £ |
|--------------------------|-------------------------------------|---|------------------------------|------------------------|------------------------------------|------------|
| Cost or valuation | | | | | | |
| At 1 April 2022 | 5,817,272 | 1,270,719 | 964,787 | 188,411 | 293,168 | 8,534,357 |
| Additions | 10,879 | 118,692 | 114,412 | - | 33,021 | 277,004 |
| Disposals | - | - | - | - | - | - |
| At 31 March 2023 | 5,828,151 | 1,389,411 | 1,079,199 | 188,411 | 326,189 | 8,811,361 |
| Depreciation | | | | | | |
| At 1 April 2022 | 2,234,083 | 989,840 | 729,090 | 153,571 | 251,753 | 4,358,337 |
| Charge for the year | 112,019 | 103,581 | 39,841 | 21,149 | 31,524 | 308,114 |
| Released on disposal | - | - | - | - | - | - |
| At 31 March 2023 | 2,346,102 | 1,093,421 | 768,931 | 174,720 | 283,277 | 4,666,451 |
| Net book value | | | | | | |
| At 31 March 2023 | 3,482,049 | 295,990 | 310,268 | 13,691 | 42,912 | 4,144,910 |
| At 31 March 2022 | 3,583,189 | 280,879 | 235,697 | 34,840 | 41,415 | 4,176,020 |

Freehold land and buildings includes land at cost of £121,020 (2022: £121,020) on which no depreciation is charged.

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

20 Intangible assets - group

| | Goodwill £ | Total £ |
|--------------------------|---------------|------------|
| Cost or valuation | | |
| At 1 April 2022 | - | - |
| Additions | - | - |
| Disposals | - | - |
| | <hr/> | <hr/> |
| At 31 March 2023 | - | - |
| | <hr/> | <hr/> |
| Depreciation | | |
| At 1 April 2022 | - | - |
| Charge for the year | - | - |
| Released on disposal | - | - |
| | <hr/> | <hr/> |
| At 31 March 2023 | - | - |
| | <hr/> | <hr/> |
| Net book value | | |
| At 31 March 2023 | - | - |
| | <hr/> | <hr/> |
| At 31 March 2022 | - | - |
| | <hr/> | <hr/> |

21 Investments

| | Freehold investment property £ | Investment in subsidiary undertakings £ | Investment portfolio £ | Company 2023 £ | Group 2023 £ |
|-------------------|---|--|------------------------------|----------------------|--------------------|
| At 1 April 2022 | 155,000 | 5 | 4,662,563 | 4,817,568 | 4,817,563 |
| Additions at cost | - | - | 1,422,911 | 1,422,911 | 1,422,911 |
| Disposals | - | - | (1,376,150) | (1,376,150) | (1,376,150) |
| Unrealised losses | - | - | (20,991) | (20,991) | (20,991) |
| Realised losses | - | - | (230,055) | (230,055) | (230,055) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2023 | 155,000 | 5 | 4,458,278 | 4,613,283 | 4,613,278 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

The freehold investment property at 5-7 Fore Street, St Austell was last revalued on an open market basis on 25 April 2019 by Scott Burridge Commercial. The Trustees consider the valuation appropriate at the year end.

The cost of the above listed investments at 31 March 2023 was £4,590,151 (2022: £4,529,036). The cost of the freehold investment properties amounts to £290,000 (2022: £290,000).

Carrying amount of financial assets

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Instruments measured at fair value through profit or loss | 4,458,278 | 4,662,563 |
| | <hr/> | <hr/> |

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

22 Stocks

| | Company 2023 £ | Group 2023 £ | Company 2022 £ | Group 2022 £ |
|------------------------------|----------------------|--------------------|----------------------|--------------------|
| Goods for resale | 3,470 | 76,809 | 12,079 | 87,377 |
| Drugs, medical supplies etc. | 8,500 | 8,500 | 8,500 | 8,500 |
| Maintenance stocks | 400 | 400 | 400 | 400 |
| | <u>12,370</u> | <u>85,709</u> | <u>20,979</u> | <u>96,277</u> |

23 Debtors

| | Company 2023 £ | Group 2023 £ | Company 2022 £ | Group 2022 £ |
|------------------------------------|----------------------|--------------------|----------------------|--------------------|
| Gift Aid debtor | 95,765 | 95,765 | 89,607 | 89,607 |
| VAT recoverable | 85,639 | 82,715 | 58,222 | 56,414 |
| Amounts owed by group undertakings | - | - | 128,249 | - |
| Other debtors | 19,079 | 19,079 | 59,400 | 59,381 |
| Prepayments and accrued income | 262,584 | 274,681 | 412,168 | 416,893 |
| | <u>463,067</u> | <u>472,240</u> | <u>747,646</u> | <u>622,295</u> |

24 Creditors: amounts falling due within one year

| | Company 2023 £ | Group 2023 £ | Company 2022 £ | Group 2022 £ |
|------------------------------------|----------------------|--------------------|----------------------|--------------------|
| Trade creditors | 196,919 | 252,307 | 133,910 | 141,438 |
| Other creditors | 69,806 | 68,830 | 70,186 | 69,179 |
| Other taxation and social security | 135,813 | 136,698 | 129,967 | 130,705 |
| Accruals | 429,358 | 451,188 | 278,312 | 314,743 |
| Deferred income (note 25) | 33,006 | 100,135 | 1,752 | 75,765 |
| Amounts owed to group undertakings | 148,582 | - | - | - |
| | <u>1,013,484</u> | <u>1,009,158</u> | <u>614,127</u> | <u>731,830</u> |

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

25 Deferred income

| | Company 2023 £ | Group 2023 £ | Company 2022 £ | Group 2022 £ |
|----------------------------|----------------------|--------------------|----------------------|--------------------|
| At 1 April 2022 | 1,752 | 75,765 | 10,680 | 81,294 |
| Released to income in year | (1,752) | (75,765) | (31,309) | (101,923) |
| Deferred in year | 33,006 | 100,135 | 22,381 | 96,394 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2023 | 33,006 | 100,135 | 1,752 | 75,765 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Income is deferred in respect of Lottery income whereby players may pay in advance for weekly tickets on a quarterly, half yearly or annual basis. Other income is deferred in respect of education services and rental income where income has been received in advance of the the education service being delivered, or the rental period.

26 Contingent assets

At 31 March 2023, the Charity had been notified of legacies receivable totalling an estimated £2.8m (2022: £4.0m) that are not included in the Statement of Financial Activities because the conditions for recognition have not been met.

In addition, the Charity has assets bequeathed to it totalling an estimated £195k (2022: £195k) which are subject to a life tenancy interest held by a third party.

27 Restricted funds

The Company and the Group

| | Project Appeal Fund £ | Bed Purchase Fund £ | NHSE Covid-19 support grant £ | Total £ |
|-------------------------|--------------------------------|------------------------------|---|----------------|
| At 1 April 2021 | 740,448 | 9,750 | - | 750,198 |
| Income | - | - | 192,023 | 192,023 |
| Expenditure | (19,538) | (1,331) | (192,023) | (212,892) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 1 April 2022 | 720,910 | 8,419 | - | 729,329 |
| Income | - | 36,000 | - | 36,000 |
| Expenditure | (19,538) | (4,931) | - | (24,469) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2023 | 701,372 | 39,488 | - | 740,860 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

The Project Appeal Fund represents grant funding from the Department of Health and public appeal monies received towards the capital project at St Julia's Hospice to provide new Out-Patient facilities which was completed early in 2013. Depreciation on this fund of £19,538 is charged to reserves annually.

The Bed Purchase Fund reflect donations made in contribution to bed purchases for each unit. Depreciation on these beds of £4,931 is charged to reserves annually.

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

28 Unrestricted funds

| (a) The Company | ----- Designated Funds ----- | | | | | |
|--------------------------------|------------------------------|---------------------|---------------------|---------------|-----------------|------------|
| | Capital Fund | Revaluation Reserve | Future Deficit Fund | Legacies Fund | General Reserve | Total |
| | £ | £ | £ | £ | £ | £ |
| At 1 April 2022 | 3,433,491 | 133,527 | - | 1,000,000 | 4,748,921 | 9,315,939 |
| Surplus for the year | - | - | - | - | 1,078,435 | 1,078,435 |
| Transfer | (5,841) | (110,400) | 569,609 | 1,000,000 | (1,453,368) | - |
| At 31 March 2023 | 3,427,650 | 23,127 | 569,609 | 2,000,000 | 4,373,988 | 10,394,374 |
| ----- | | | | | | |
| (b) The Group | ----- Designated Funds ----- | | | | | |
| | Capital Fund | Revaluation reserve | Future Deficit Fund | Legacies Fund | General Reserve | Total |
| | £ | £ | £ | £ | £ | £ |
| At 1 April 2022 | 3,433,491 | 133,527 | - | 1,000,000 | 4,793,639 | 9,360,657 |
| (Deficit)/surplus for the year | - | - | - | - | 1,181,707 | 1,181,707 |
| Transfer | 2,958 | (110,400) | 105,625 | 1,000,000 | (998,183) | - |
| At 31 March 2023 | 3,436,449 | 23,127 | 105,625 | 2,000,000 | 4,977,163 | 10,542,364 |
| ----- | | | | | | |

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

28 Comparative unrestricted funds

| | (a) The Company | [----- Designated Funds -----] | | | | |
|--------------------------------|-----------------|--------------------------------|---------------------|-----------------------------|---------------|-----------------|
| | | Capital Fund | Revaluation Reserve | Future Service Develop fund | Legacies Fund | General Reserve |
| | | £ | £ | £ | £ | £ |
| At 1 April 2021 | | 3,556,546 | 170,455 | 306,439 | - | 4,241,401 |
| Surplus/(Deficit) for the year | | - | - | (169,400) | - | 1,210,498 |
| Transfer | | (123,055) | (36,928) | (137,039) | 1,000,000 | (702,978) |
| | | | | | | - |
| At 31 March 2022 | | 3,433,491 | 133,527 | - | 1,000,000 | 4,748,921 |
| | | | | | | 9,315,939 |
| | | | | | | |
| | (b) The Group | [----- Designated Funds -----] | | | | |
| | | Capital Fund | Revaluation reserve | Future Service Develop Fund | Legacies Fund | General Reserve |
| | | £ | £ | £ | £ | £ |
| At 1 April 2021 | | 3,556,546 | 170,455 | 306,439 | - | 4,301,961 |
| Surplus/(Deficit) for the year | | - | - | (169,400) | - | 1,194,656 |
| Transfer | | (123,055) | (36,928) | (137,039) | 1,000,000 | (702,978) |
| | | | | | | - |
| At 31 March 2022 | | 3,433,491 | 133,527 | - | 1,000,000 | 4,793,639 |
| | | | | | | 9,360,657 |
| | | | | | | |

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

28 Unrestricted funds (continued)

The designated Capital Funds represent fixed assets (being predominantly Mount Edgecumbe Hospice and St Julia's Hospice) that are not funded through the restricted Capital Funds (note 27).

The Future Services Developments Fund was reduced to nil during 2021/22 as relates to the development of our community services, which are now part of our day to day service offering.

The Future Deficit Fund represents the forecast deficit in 23/24.

The Legacies Fund has been established to mitigate the specific risk that arises around legacy income. Legacies present management with a unique risk, in that if they were to substantially reduce or stop all together management are unable to take management action that would influence this in the short to medium term. The legacy fund is therefore intended to fund any legacy shortfalls, which will allow time for expenditure to be reduced in a planned manner.

29 Analysis of net assets between funds

Consolidated fund balances at 31 March 2023 are represented by:

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|---------------------|----------------------------|--------------------------|-------------------|
| Fixed assets | 3,404,050 | 740,860 | 4,144,910 |
| Investments | 4,613,278 | - | 4,613,278 |
| Current assets | 3,534,194 | - | 3,534,194 |
| Current liabilities | (1,009,158) | - | (1,009,158) |
| | 10,542,364 | 740,860 | 11,283,224 |

Consolidated fund balances at 31 March 2022 are represented by:

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|---------------------|----------------------------|--------------------------|-------------------|
| Fixed assets | 3,446,691 | 729,329 | 4,176,020 |
| Investments | 4,817,563 | - | 4,817,563 |
| Current assets | 1,828,233 | - | 1,828,233 |
| Current liabilities | (731,830) | - | (731,830) |
| | 9,360,657 | 729,329 | 10,089,986 |

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

30 Commitments

Operating leases

The total amount of other financial commitments not provided in the financial statements was:

| | Land & buildings | | Land & buildings | |
|----------------------------------|------------------|------------------|------------------|------------------|
| | Company | Group | Company | Group |
| | 2023 | 2023 | 2022 | 2022 |
| | £ | £ | £ | £ |
| Expiring within 1 year | 787,311 | 787,311 | 450,928 | 450,928 |
| Expiring 2 - 5 years | 2,722,453 | 2,722,453 | 1,321,130 | 1,321,130 |
| Expiring in more than five years | 2,476,841 | 2,476,841 | 508,798 | 508,798 |
| | <u>5,986,605</u> | <u>5,986,605</u> | <u>2,280,856</u> | <u>2,280,856</u> |
| | | | | |
| | Other | | Other | |
| | Company | Group | Company | Group |
| | 2023 | 2023 | 2022 | 2022 |
| | £ | £ | £ | £ |
| Expiring within 1 year | 23,995 | 23,995 | 44,697 | 44,697 |
| Expiring 2-5 years | 35,992 | 35,992 | 59,987 | 59,987 |
| | <u>59,987</u> | <u>59,987</u> | <u>104,684</u> | <u>104,684</u> |

31 Contingent liabilities

The charity is a member of a VAT group and as such is jointly liable for any outstanding liability. The amount owed by the group at the year-end was £Nil (2022: £Nil).

32 Ultimate controlling party

The ultimate controlling party of the charity are the members.

33 Related party transactions

There were no related party transactions during the year. No amounts were owed to or from the charity, in respect of related parties, at the year end.

Cornwall Hospice Care Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

34 Reconciliation of operating deficit to net cash flow from operating activities

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Net income/(expenditure) per statement of financial activities | 1,193,238 | 1,004,387 |
| Losses on investments | 251,040 | (39,002) |
| Investment income | (99,915) | (93,559) |
| Add back loss on sale of investment property | - | 1,641 |
| Add back depreciation charge | 308,114 | 278,118 |
| Decrease in stocks | 10,568 | 7,758 |
| Decrease in debtors | 150,055 | 476,250 |
| Increase in creditors | 277,328 | 92,757 |
| | <hr/> | <hr/> |
| Net cash provided by operating activities | 2,090,428 | 1,728,350 |
| | <hr/> | <hr/> |

Analysis of net debt

| | 1 April 2022 £ | Cash flows £ | 31 March 2023 £ |
|--------------------------|-------------------|-----------------|--------------------|
| Cash at bank and in hand | 1,109,661 | 1,866,584 | 2,976,245 |
| | <hr/> | <hr/> | <hr/> |