



*Celebrating Life,
Dignifying Death*



Hospice in the Weald Annual Report

(and consolidated financial statements)
Year Ended 31 March 2021

www.hospiceintheweald.org.uk

Registered Charity No. 280276 • Company No. 1499846





HOSPICE
IN THE WEALD
Celebrating Life,
Dignifying Death
Jane
Nursing
Assistant

HOSPICE
IN THE WEALD
Celebrating Life,
Dignifying Death

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Introduction from our Chairman

I am very pleased to present this year's annual report which details our performance over the last financial year and our plans for the future. The Hospice has been significantly impacted by the COVID pandemic and the additional risks it brings, and we have had to manage our services accordingly. We are now largely back to normal activities with appropriate precautions for patients, visitors, employees and volunteers.

Over the last 18 months the Hospice Leadership Team has been operating a COVID Response Team with responsibility for interpreting government guidance relating to COVID on behalf of the organisation and managing the associated risks. The primary risks related to safety, in particular maintaining scrupulous infection prevention and control measures for patients, their loved ones, and our workforce. At the height of COVID restrictions our buildings were split into different zones to enable us to operate. PPE provision was a challenge and we introduced a host of new procedures. I am pleased to say that collectively these steps enabled us to remain open throughout the pandemic.

The financial risks and implications of the pandemic have also been significant. Government guidance forced the closure of our shops and the cancellation of various fundraising events, both significant sources of income for the Hospice. We are conservatively managed and have been able to use some of our financial reserves to manage through this period. Government support of £3.3 million was also very helpful in the reporting period.

Unsurprisingly, we did see a reduction in patients at the height of the pandemic but we were open throughout the year for COVID and non-COVID patients. We reduced the number of visitors to patients at Cottage Hospice and on the In-Patient Ward, although I am proud to say that our measures meant we did not need to halt visiting entirely. Unlike care homes and hospitals, our patients had visitors at critical times and no Hospice in the Weald patient died alone. Hospice Day Service was temporarily paused due to government guidance and we offered counselling sessions via telephone or video calls. This improved access to counselling will remain in place after the pandemic ends. Regardless of further COVID outbreaks or indeed other crises, the Trustee Board and Hospice Leadership Team will try to ensure that Hospice care is available for everyone who needs it.

All of these risks and pressures had a major impact on our workforce. We put a number of additional support mechanisms in place to help staff and volunteer wellbeing and resilience. Our people have had to work under difficult conditions for a long period of time and we greatly appreciate their efforts and resilience over this period.

Since we closed the accounts we have also said farewell to our Chief Executive, Rob Woolley. Rob has been instrumental in building and growing the Hospice over the last decade and we are grateful for his many years of service.

The Hospice is a community service and business. Our income comes from the community through our shops, our fundraising events, and through gifts and legacies. Our patients come from the community and our staff provide a range of services to them and their families at a difficult time for all. There has been a greater appreciation of local communities and services through this pandemic, and I believe the Hospice will be stronger in the future as we transition through and out of the pandemic. Thank you to all who have supported us in the last 12 months in whatever capacity.



A handwritten signature in black ink that reads "Gary Withers". The signature is stylized, with a large, sweeping initial 'G' and a trailing flourish.

Gary Withers
Chairman

Charity registration number 280276

Company number 01499846

Trustees

Dr N Benson	
Ms S Cockaday	
Ms J Ford	
Ms C Freshwater	
Dr S Grieve	(Appointed 19 June 2020)
Mr S Lee	(Resigned 8 December 2020)
Ms S Pinkney	
Mr T Rolfe	
Mr E Wesson	
Mr G Withers	(Appointed 1 September 2020)
Dr C Wykes	

Hospice Leadership Team

Mr R Woolley	Chief Executive (Resigned 31 July 2021)
Mr N Farthing	Development & Income Generation Director
Mr P Madden	Care Director
Mrs J Lavender	Finance Director
Dr H McGee	Medical Director (Resigned 30 April 2021)

Patrons

Mr Greg Clark MP
 Mr George Cohen MBE
 Mr Chris Cowdrey
 Mr Rob Eades
 Mr Tim Edmunds
 Ms Nusrat Ghani MP
 Ms Helen Grant MP
 Mr Charles Hendry
 Mrs Marit Rausing
 Mr Tom Tugendhat MP

President

Mr Simon Lee

**Vice Presidents
(Members)**

Mr Peter Bennellick
 Mrs Sonia Burt
 Mr Martin Dace
 Mr Brian Dudley
 Sir Jeremy Elwes
 Mr Peter Lewis
 Prof. John Salter

Charity Information

Vice Presidents

(Non-members)

Mr John Ashelford

Mr David Payne

Mr Richard Snow

Registered address

Maidstone Road

Pembury

Kent

TN2 4TA

Statutory auditors

RSM UK Audit LLP

25 Farringdon Street

London

EC4A 4AB

Bankers

Lloyds Bank Plc

82 Mount Pleasant Road

Tunbridge Wells

Kent

TN1 1RP

**Investment Fund
Management**

Sarasin & Partners

Juxon House

100 St. Paul's Churchyard

London

EC4M 8BU

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES' REPORT

The Trustees submit their annual report and the audited consolidated financial statements of the charitable group for the year ended 31 March 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities ("the Charities SORP") and Financial Reporting Standard (FRS) 102 in preparing the annual report and financial statements of the Charity. The Charity is a charitable company limited by guarantee and was established on 27 June 1980. The Charity is governed by its Memorandum and Articles of Association whose objects are entirely charitable.

Charitable Objects

The objects for which the Charity is established are:

To promote the relief of sickness in such charitable ways as the Charity shall from time to time think fit, and in particular (but without prejudice to the generality of such object):

- to promote the care without limitation of sex, race or age, of persons suffering from terminal illness or intractable pain whether in hospitals, nursing homes, clinics or their own homes and to provide medical nursing and other treatment and attention according to their needs, together with guidance and assistance for those caring for them;
- to conduct, promote and encourage research into the care and treatment of sufferers from terminal illness or intractable pain and to make publicly available the results of such research and to promote, encourage and assist in the teaching and training of doctors, nurses, physiotherapists, psychologists and other persons engaged in the care of such sufferers.

Hospice in the Weald serves a population of 402,000 people covering an area of over 400 square miles of West Kent and East Sussex. It delivers a multi-professional service to improve the quality of life for patients with a terminal illness and those important to the patient.

Organisational Structure, Governance and Management

The Charity is established for the purposes expressed in the Articles of Association. The Trustees are expected to serve an initial term of three years and can then be re-elected to serve a further term to not normally exceed six years in total. The Board considers any Trustee vacancies to ensure that there remains on the Board a balance of skills, diversity and experience. New Trustees are put forward by existing Trustees. Future Trustees are interviewed by the Chairman and at least two other Trustees and meet with the Chief Executive. New Trustees receive induction arranged by the Chief Executive and, in advance, receive several key documents to allow them to understand the organisation.

Trustees do not receive any remuneration but are entitled to be reimbursed for any expenses incurred in attending Board meetings. No expenses were claimed during the year (2020 - £nil).

The appointment, resignation or retirement of Trustees is announced at the Charity's Annual General Meeting (AGM).

Trustees have ultimate responsibility for the Charity. They meet at least four times a year to review the strategy and performance of the Charity and to set objectives, operating plans and budgets and approve the annual accounts.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Committees

Separate committees have been established to provide specific support and guidance to the Chief Executive and the Hospice Leadership Team (HLT). Each committee is chaired by a Trustee and determines the frequency and content of its meetings depending on the needs of the organisation. The terms of reference for each committee are reviewed by the Board once a year and the Chairman is ex-officio on all committees. The Chair of each committee gives a report to the full body of Trustees at Board meetings.

Committee Membership: -

Finance and Commercial Committee: Ms C Freshwater (Chair), Ms J Ford, Ms S Pinkney, Ms S Cockaday, Dr S Grieve (appointed 19 June 2020), Mr T Rolfe, Mr E Wesson, Mr R Woolley (resigned 31 July 2021), Mrs J Lavender, Mr N Farthing, Mr S Lee (resigned 8 December 2020, ex-officio), Mr G Withers (appointed 1 September 2020, ex-officio).

Clinical Governance Committee: Dr C Wykes (Chair), Dr N Benson, Ms J Ford, Ms C Freshwater, Dr S Grieve (appointed 19 June 2020), Ms S Pinkney, Ms S Cockaday, Dr H McGee (resigned 30 April 2021), Mr P Madden, Mr R Woolley (resigned 31 July 2021), Mr S Lee (resigned 8 December 2020, ex-officio), Mr G Withers (appointed 1 September 2020, ex-officio).

Children's Services Committee (commenced January 2021): Ms J Ford (Chair), Dr N Benson, Mr T Rolfe, Mr E Wesson, Dr C Wykes, Mr N Farthing, Mr R Woolley (resigned 31 July 2021), Mr G Withers (appointed 1 September 2020, ex-officio).

The Trustees delegate authority for the day to day management of the Charity and its subsidiary company to its appointed Chief Executive, supported by the Hospice Leadership Team with specialist and individual responsibility for all functional activities. The subsidiary (trading) company has a Board of Directors and operates at arm's length from the charity.

Trustee Training

The Trustees are interested in their own training and development as individuals and collectively as a Board. They are aware of organisations that help Trustees and will take part in training as required. Trustees know from the Charity Commission guidance in CC3a that Trustee E-learning is available on-line. The Trustees also join together with the Hospice Leadership team once a year in a "Development Day" which is focused on joint learning.

Public Benefit

The presumption of public benefit was removed by the Charities Act 2011. Charities are therefore required to demonstrate public benefit. The objects of Hospice in the Weald are set out on page 6. Accordingly the charitable purposes of Hospice in the Weald fall within the criteria of Section 2 of the Charities Act 2011 and thereby the organisation, which has been established exclusively for charitable purposes, is for public benefit. In planning the activities for the year, the Trustees have given careful regard to the Charity Commission's guidance on public benefit and considered its implications for the Charity.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Related Party Disclosures

We need to make disclosures in respect of 'related party disclosures' as FRS 102 requires disclosure of group transactions such as those in note 22. It is also prudent in this annual report to make clear that some of the income derived through our charity shops is undertaken by a trading company. We have three of the Charity Trustees, including the Chairman, act as the Directors of the trading company. The CEO and Development and Income Generation Director work alongside them and also act as Directors of the trading company. Hospice in the Weald (Trading) Ltd charged Hospice in the Weald £181,889 for donor procurement in the year to 31 March 2021 (2020 - £422,334).

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Charitable Activities

Our main focus continues to be to increase the number of Hospice palliative care referrals and we received 1,676 new referrals by the end of the financial year, a decrease of 7% on the previous year. Much of this is a result of the COVID-19 pandemic, during which time it was well documented that many people were not attending GP and/or hospital appointments, which led to an overall decrease in new referrals from all sources. In end of life care scenarios, people were frightened by the prospect of being separated from loved ones and the possibility of not being able to say goodbye. Hospice in the Weald remained open throughout the pandemic and was able to facilitate many families having a good death at this difficult time.

Key Performance Indicators (KPIs) - Dashboard

The Hospice has a number of different KPIs. These include Clinical referrals, occupancy, patients preferred place of death, Cottage Hospice Service Delivery plan objectives as well as financial indicators and staff turnover. These KPI's contain both quantitative and qualitative KPIs which are reported on a regular basis through each of the Board committees.

Strategic Objectives

All of Hospice in the Weald's objectives, as set out in its Business Plan, are to meet one or more of its six Strategic Aims:

1. Develop and deliver our services so that each year we reach more people who are in the last year of their life, and those important to them.
 2. Provide a fully integrated 24/7 Hospice Palliative Care service that is available equally across the communities we serve.
 3. Be a leader in Hospice Palliative Care and End of Life Care, collaborating with other relevant organisations for this purpose, where appropriate.
 4. Improve our infrastructure to build organisational resilience and develop our whole workforce to deliver high quality service.
 5. Build our financial strength so that everyone in the community we serve can be confident that Hospice in the Weald will always be available to care for them and their loved ones at end of life.
 6. Raise awareness of the importance of good Hospice Palliative Care, so that people living in the communities we serve have the best opportunities to celebrate their lives and die with dignity.
-



1,673 patients referred

2,376 Counselling Sessions

317 Patients cared for on our In-Patient Ward



Patients can access our care by phoning us or emailing us, there is no need for a referral from their GP or Hospital.

16% of our patients referred themselves to us in this reporting period.



During COVID...

We put on counselling sessions via video call to help support people throughout the COVID lockdowns

6,541
home visits





Julie's Story

“ Julie remembers her mum, Janet, and shares what a difference Hospice nurses made to her family at the end of Janet's life. ”

“My Mum was an exceptional woman, she was intelligent, funny, caring and thoughtful, and someone you could always rely on for help and advice. She was also very strongwilled, and wasn't afraid to voice her opinion! She was a very spiritual woman with a passion for astrology and all things to do with star signs. She studied for many years and was a bit of a specialist in her field. Throughout her life she did astrology charts for all her friends and family, and even the odd celebrity! When Mum was diagnosed with terminal lung cancer we were totally determined to look after her ourselves. She had other complications too, which made treatment difficult. Mum was as tough as nails but had a heart of gold, and we really thought that us, her family, caring for her at home was the best possible option. Looking back, I was naive as to how quickly her condition would change, and how I could have accepted help earlier. Having experienced the impacts of terminal illness, and the pressures this can bring, I would recommend to others to be as open minded as possible when it comes to looking after your loved one. For me, the emotional and physical impact was difficult to deal with without support. I wasn't prepared for the effects this would have on me and my family. Mum's needs were beyond what I could possibly deliver.

I would say to anyone in our situation, accept all the help you can get. That's what the Hospice is here for – and what a difference the nurses made to us.

“ When Mum came to the Hospice I was completely overwhelmed by the atmosphere of the place. The nurses went above and beyond to fulfil all her wishes. It was not like anything I had imagined, it was more like an extension of home, where the wishes of our family were put first. ”

Mum loved her food and was a fantastic cook. My son and daughter absolutely loved her homemade chips and desserts. I always remember as a child coming home from school to homemade pies and pasties, they were delicious! She was very generous with her food and we could never walk through the front door without her offering us a cake, some chocolate or a packet of crisps.

We were so impressed when we arrived at the Hospice and Mum was offered something to eat. She really struggled with food at that point in her illness, and on asking the nurses what they had available, they said 'whatever you want'. We were so surprised; they even sourced her favourite ice-cream. Mum had a great sense of humour, she was sharp; conversation with her was always interesting and she always enjoyed a good debate. We always laughed and saw the funny side of things, even when she was very poorly. This continued at the Hospice and she was able to laugh and joke with the nurses, and they played her favourite music on her iPad.

The care at the Hospice isn't just for the patient, they understand how important close family is too. We were all swept up in the warmth and care of the nurses. They were there for us long before Mum became a patient at the Ward, they helped us navigate through home care, medical treatment and finally admission to the Hospice. They also guided me through the funeral and paper work and are still reaching out to us now.

They will be there for you the whole way through.



STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Our People

Hospice in the Weald, in common with all other hospices, spends its revenue principally on the provision of care. Salary costs are, and always will be, our main expenditure. The highly skilled Consultants, Doctors, Nurses and other clinical staff are where we focus our expenditure. We have in this year, like other years, ensured that at least 90 pence of each £1 that is raised goes toward the care of our patients and those important to them.

Our volunteers are vital to all that we do. We recruit them, train them and are responsible for them. At 31 March 2021 we had 955 volunteers working across all the Services and Departments in the Hospice and in all of our shops.

Income Generation

Fundraising

The total income of the Charity and Hospice in the Weald (Trading) Limited for the year of £10.9 million showed a decrease of £680,195 over the previous year. Statutory funding from the Clinical Commissioning Groups (CCGs) decreased by £63,533 to £918,872. This NHS statutory funding from West Kent CCG has been included in core funding.

The COVID-19 pandemic has meant that all that was planned for the financial year 2020/2021 was put on hold. We set an emergency budget and made clear to everyone, internally and externally, that we would spend from reserves to weather the storm.

Coronavirus Job Retention Scheme Grants (furlough) totalling £283,394 were received for the period the retail shops were not permitted to open, local council grants totalling £790,868 were also received for the closure of the shops along with a substantial payout from our business interruption insurance claim totalling £574,397.

Voluntary income by way of donations and legacies (Gift in Will) totalled £4,541,629 compared to £6,721,979 in the previous year, a 32% decrease. Throughout late 2020 we reviewed our approach to Gift in Will fundraising which resulted in a new free to use will writing service launched on our website in mid-2021.

The Charity's commercial trading arm, Hospice in the Weald (Trading) Ltd, achieved a net profit of £8,749, a £13,930 decrease on previous year, this is reflective of the reduced sale of bought in goods in the shops and we:train making a £75,041 loss for the year. Planned increases in the number of apprentices never materialised due to impact of the pandemic on care homes.

Retail

The contribution from our retail shops during the year amounted to £830,035. This figure includes the £8,749 trading profit in Hospice in the Weald (Trading) Limited Limited plus the donations raised in relation to goods sold on behalf of donors and associated Gift Aid claims. Gift Aid is claimed by the Charity in respect of donations received from donors who agree to donate funds raised from the sale of their goods. The charity appoints Hospice in the Weald (Trading) Limited to act as agent for the sale of donated goods in the retail shops in accordance with HMRC's approved methodology. Hospice in the Weald (Trading) Limited charges donors a commission for selling their goods as their agent and makes a charge to the Charity for the service it provides in procuring donations for the Charity.

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Income generation compliance report

Hospice in the Weald employs a core fundraising staff to develop, promote and run a range of fundraising campaigns, assisted by vital volunteers and taken up by our supporters. We steward our donors and promote our fundraising campaigns to them, and the wider community which we serve, through direct mail, e-mail contact, telephone and digitally.

We constantly monitor the cost and time which goes into each fundraising activity against the financial return to ensure we are making the most of every donation received.

We are registered with the Fundraising Regulator and work in accordance with the Code of Fundraising Practice, and the best practice laid out by the Hospice Lotteries Association, Institute of Fundraising and Charity Retail Association. Our lottery and raffles are promoted in accordance with the Gambling Commission guidelines and we have checks in place to monitor third parties who carry out work for us, or who we enter into contracts with.

We received no complaints through the Fundraising Regulator during the year. We review the frequency and appropriateness of our communications and provide an option for supporters to 'opt-out' of our communications. We contact based on legitimate interest, and operate a Supporter promise which is clearly communicated on our website.

We continue to listen to our supporters and to learn from them to shape our fundraising activity. Our supporters are very important to us and we put them at the heart of everything we do.

Financial Review

The overall result for the year after unrealised gains, and including restricted funds, amounted to a surplus of £3,444,826 (2020 £1,238,988).

Operating Expenditure

We are reporting a significant increase in our total operating expenditure from £6,786,334 to £7,447,107 a 10% increase year on year. This is due in the main to running Cottage Hospice for a full year and increasing our Services.

Financial Management

Core funding from the NHS stayed static in real terms, as has the Department of Health's contribution to the costs of the NHS Pension Scheme. Again, pension cost increases have been funded out of voluntary income. We continue to make the case for an increased contribution from the NHS.

As a direct result of the COVID pandemic the Hospice received one off grants. The NHSE awarded funding of £2.2 million to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

The one off grants and business interruption insurance claim received have offset the 32% decrease in voluntary income resulting in an operating surplus of £468,721.

Investments

An unrealised gain on investments is included in the overall result for the year of £2,976,105. In the year to 31 March 2021, the investment portfolio managed by Sarasin & Partners produced a return of +25.6% (after all fees and costs) which compared to the index based benchmark return of +25.5%, the Asset Risk Consultant (ARC) Charity Peer Group return of +24.0% and the long term CPI+4% target of +4.5%.

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Reserves

The Board regularly reviews the level of free reserves held by the Charity against that stated in the Reserves Policy. The Board defines free reserves as readily realisable assets, mainly liquid investments and bank balances, less liabilities and accrued expenses. The Trustees consider that it is prudent and desirable and consistent with the Charity Commission guidelines to hold a level of free reserves and that this should be equivalent to at least one year's budgeted forward expenditure, considering likely scenarios in respect of current income streams. The Charity's forward expenditure for 2021-22 has been budgeted at £9.6 million. The Charity's free reserves at 31 March 2021 were £17.6 million. In addition, the Trustees have approved a £2.3 million deficit budget for 2021-22 which reflected the ongoing challenges arising from the Covid-19 pandemic. Steps are being taken in year to mitigate this deficit.

The Trustees designated £5 million in 2019 for a second Cottage Hospice and in this year have designated the following funds:

- £4.5 million to develop the land next to the Hospice
- £775k for the purchase and redevelopment of the Shephards House, Five Ashes
- £500k For the development of Chidrens Services
- £500k to invest in ICT Infrastructure

The Charity has no restricted funds at 31 March 2021 and after these designations the Charity's General Funds amount to £7.3 million.

Funds

- a) Restricted – these funds represent the balance of specific donations received after expenditures have been made in accordance with the donors' wishes and are therefore not freely available.
 - b) Designated – these are funds which the Board has earmarked for specific capital commitments and new initiatives. The majority of designated funds relate to Hospice buildings necessary to create the infrastructure to enable the Hospice to further its general objectives.
 - c) General – these funds represent the balance of reserves which are available to meet existing liabilities and contracted obligations and future operating costs.
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STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Risk Management

The Trustees acknowledge their responsibility to consider the risks faced by the Charity and to ensure that adequate controls are in place to identify, assess and mitigate against such risks. Through the risk management processes established by the Charity, the Trustees are satisfied that the major risks have been identified and mitigated where necessary, and that systems and procedures have been put in place to provide reasonable assurance that major risks have been adequately managed.

The Hospice Leadership Team and Trustees have identified the following key areas of risk and have taken appropriate action, as far as it is possible and practical, to protect the organisation from any potential adverse exposures that could arise from:

1. Changes in external environment which result in there being a reduction in non-statutory funding and where we are not able to maintain historic levels of voluntary/community fundraising.
2. Changes in the external environment which result in there being a lack of statutory (State/NHS) funding and where Clinical Commissioning Groups (CCGs) do not commission/fund at historic levels of NHS funding.
3. Direct competition from other organisations who want to provide services we have traditionally provided, undermining our position in the community.
4. Damage to our reputation from a clinical error which adversely affects our standing.
5. Damage to our reputation from a non-clinical incident or error which adversely affects the organisation and its standing.

The above 5 risks are the current high-level risks and are identified through various systems and processes and are included in the Board Assurance Framework (BAF). These risks and all other risks that are identified for the organisation are managed in accordance with a comprehensive risk strategy that determines the scoring system for both the likelihood of a risk and the consequences, if that risk were to come to fruition. This gives both the management and the Trustees the view of a raw scoring system which is then subjected to a number of management actions to mitigate the likelihood of the risk occurring. These mitigating management actions are kept under constant review.

On 11th March 2020 The World Health Organisation (WHO) declared COVID-19 a global pandemic. Prior to this, the Hospice Leadership Team (HLT) had been monitoring the growing threat from COVID-19 and implemented the organisation's Crisis Plan on 13th February 2020. This led to the forming of a COVID-19 Response Team (CRT), a subgroup of HLT which initially met weekly and subsequently formed, during 2020-21 risk management processes for the COVID-19 era, based on the above. A separate COVID-19 BAF was created during 2020/21 and those risks monitored in the same way as our standard BAF. This group continues to meet, monitoring ongoing guidance and updating the workforce as required.

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Future Developments

There are a number of areas where the Hospice needs to make investments or would like to expand its services. In particular, investments in digital processes and interfaces will make us more accessible and more efficient, and for some time we have been looking at developing a service for children and young people.

The research work for a children's service has included engagement with neighbouring children's hospices, hospital paediatricians, local centres for reference and other relevant stakeholders. We will invite local children, young people and their families to share their experiences and requirements with us as we design the service. We are recruiting initial staff and we expect to commence service delivery in 2022.

We have seen the beginnings of digital transformation in the current reporting period; work is being undertaken to redevelop our website and the provision of counselling sessions via video call has proved successful. There are further steps to be taken in the next year to enable the organisation to become more digitally effective. This involves both the overhaul of current systems and how we use them, understanding and better connecting our flows of data across the organisation, and a thorough assessment of our digital infrastructure. Our IT systems are in need of repair, replacement and upgrading. We have designated an IT development fund of £500,000 to bring our digital infrastructure up to standard and ensure it is future-proof.

In April 2021 we purchased The Shepherd's House, Five Ashes for £575k with the intention of redeveloping the property to create 5 self contained flats, £775k has been designated for this purpose.

Finally, with expanded future activities we have been looking at the potential acquisition of land adjacent to the Pembury building. This land has been allocated for Hospice development within the draft Tunbridge Wells Borough Council development plans and presents the most cost effective option for us to expand our infrastructure in the future. We have designated funds of £4.5 million with this in mind.

All of these plans will only be possible if COVID is successfully constrained, and our timetables could be impacted by any future government lockdowns or restrictions.

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Statement of the Responsibilities of the Trustees

The Trustees, who are also directors of the Charity for the purposes of company law, are responsible for preparing the annual report and the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the Trustees are aware:

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

This Annual Report and Consolidated Financial Statements were approved by the Board of Trustees on 2 November 2021. The Board of Trustees also specifically approved the Strategic Report on 2 November 2021. This is signed on their behalf by:



.....
Gary Withers
Chairman

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted Fund 2021	Restricted Fund 2021	Total 2021	Unrestricted Fund 2020	Restricted Fund 2020	Total 2020
	Notes	£	£	£	£	£	£
Income and endowments from:							
Donations and legacies		4,541,629	-	4,541,629	6,594,117	127,862	6,721,979
Investments	4	1,024	-	1,024	15,927	-	15,927
Charitable Activities							
Restaurant & Coffee Shop		4,676	-	4,676	65,283	-	65,283
Core funding	2.1	918,872	-	918,872	982,405	-	982,405
Other grants	2.2	1,960,384	2,192,060	4,152,444	390,356	-	390,356
Retail Shop sales		1,128,838	-	1,128,838	3,157,215	-	3,157,215
Other trading activities	3	147,241	-	147,241	241,754	-	241,754
TOTAL INCOME		8,702,664	2,192,060	10,894,724	11,447,057	127,862	11,574,919
Expenditure on:							
Raising funds		2,978,896	-	2,978,896	3,406,090	-	3,406,090
Charitable Activities							
Hospice Services	7	5,158,822	2,288,285	7,447,107	6,622,130	164,204	6,786,334
TOTAL EXPENDITURE		8,137,718	2,288,285	10,426,003	10,028,220	164,204	10,192,424
Net (losses) / gains on investment assets	11	2,976,105	-	2,976,105	(143,507)	-	(143,507)
Net income and movement in Funds		3,541,051	(96,225)	3,444,826	1,275,330	(36,342)	1,238,988
Reconciliation of Funds							
Total funds brought forward		23,652,078	96,225	23,748,303	22,376,748	132,567	22,509,315
TOTAL FUNDS CARRIED FORWARD	17	27,193,129	-	27,193,129	23,652,078	96,225	23,748,303

The notes on pages 21 to 37 form part of these financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 MARCH 2021

		Group		Charity	
	Notes	2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	10	8,861,901	9,482,356	8,576,080	9,196,534
Investments	11	16,350,950	11,939,981	16,350,950	11,939,981
Shares in subsidiaries	12	-	-	100	100
		25,212,851	21,422,337	24,927,130	21,136,615
Current assets					
Stocks	13	13,754	11,056	-	-
Debtors	14	557,170	580,067	962,364	1,337,860
Cash at bank and in hand		2,006,874	2,326,933	1,892,308	1,861,993
		2,577,798	2,918,056	2,854,672	3,199,853
Current liabilities					
Creditors: amounts falling due within one year	15	(597,520)	(592,090)	(592,597)	(592,090)
Net current assets		1,980,278	2,325,966	2,262,075	2,607,763
Total assets less current liabilities		27,193,129	23,748,303	27,189,205	23,744,378
Funds					
Unrestricted funds:					
Designated funds: -					
Hospice Fixed Assets	17	8,576,073	9,196,531	8,576,073	9,196,531
Hospice Designated Funds	17	11,275,000	7,822,233	11,275,000	7,822,233
Total designated funds	17	19,851,073	17,018,764	19,851,073	17,018,764
General funds	17	7,342,056	6,633,314	7,338,132	6,629,389
Total unrestricted funds		27,193,129	23,652,078	27,189,205	23,648,153
Restricted funds	17	-	96,225	-	96,225
Total funds	17	27,193,129	23,748,303	27,189,205	23,744,378

The notes on pages 21 to 37 form part of these financial statements.

As permitted by S408 of the Companies Act 2006 the charity has not presented its own income and expenditure and related notes.

Charity only income of £10,756,231 is included and a surplus of £3,444,826 resulted for the year for the charity.

Approved by Board and authorised for issue on 2 November 2021



.....
Gary Withers
Chairman



.....
Nick Farthing
Acting CEO

CONSOLIDATED AND CHARITY CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Group 2021 £	2020 £	Charity 2021 £	2020 £
Cash flows from operating activities					
Net cash provided by operating activities	20	1,144,544	1,637,506	1,494,918	2,164,218
Cash flows from investing activities:					
Dividends, interest and rents from investments		1,024	15,927	1,024	15,927
Withdrawal of cash held for investment		1,029,890	1,000,000	1,029,890	1,000,000
Purchase of property, plant & equipment / investment properties		(30,763)	(3,191,240)	(30,763)	(3,184,320)
Purchase of investments		(2,464,754)	-	(2,464,754)	
Net cash used in investing activities		<u>(1,464,603)</u>	<u>(2,175,313)</u>	<u>(1,464,603)</u>	<u>(2,168,393)</u>
Change in cash and cash equivalents in the reporting period		(320,059)	(537,807)	30,315	(4,175)
Cash and cash equivalents at the beginning of the reporting period		<u>2,326,933</u>	<u>2,864,740</u>	<u>1,861,993</u>	<u>1,866,168</u>
Cash and cash equivalents at the end of the reporting period		<u>2,006,874</u>	<u>2,326,933</u>	<u>1,892,308</u>	<u>1,861,993</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (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.

Hospice in the Weald 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).

b) Preparation of the accounts on a going concern basis

Hospice in the Weald had £7,342,056 of unrestricted reserves to draw on as at 31 March 2021 should income fall dramatically during the next 2 years. Trustees consider it appropriate to prepare the accounts on a going concern basis. There are no material uncertainties about the group's ability to continue as stated in Principal Risks and Uncertainties on page 15 of the Strategic Report.

c) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Hospice in the Weald (Trading) Limited on a line-by-line basis. 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 paragraph 408 of the Companies Act 2006.

d) Income

Income is recognised upon entitlement, when the receipt is probable and when the value can be reliably measured. Legacies are recognised when receipt is probable. Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Legacy income, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executors' intention to make a distribution.

e) Statutory funding

Income received under agreements with statutory bodies is included in these accounts on a receivable basis where a contract exists. Where no contract exists, the income is recognised in accordance with the wishes of the relevant statutory body when it becomes probable that the income will be received, and it can be measured with sufficient reliability.

f) Investment income

Investment income represents gross income derived from investments held under unrestricted funds and is accounted for on a receivable basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific projects being undertaken by the Charity.

h) Expenditure

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

- Costs of raising funds comprise the costs of fundraising and commercial trading
- Expenditure on charitable activities is the provision of care to patients and those important to them

i) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include ICT, finance, facilities and governance costs and are allocated on a departmental basis.

j) Operating leases

The charity classifies the lease of retail premises as operating leases; the title to the freehold or equipment remains with the lessor. Rental charges are charged on a straight-line basis over the term of the lease.

k) Tangible fixed assets

Tangible fixed assets are capitalised where their individual item cost exceeds £5,000 and then depreciated over their economic useful lives, less residual values, as follows:

- Hospice buildings – over the expected useful life of 35 years (building refurbishments are not depreciated in the year they are undertaken, but start in the following period)
- Equipment – 25% on a straight-line basis
- Software – 25% on a straight-line basis
- Motor vehicles – 25% on a reducing balance basis
- Leasehold Shop refits – Equally over the life of the lease

The Hospice regularly reviews the projected useful life of all fixed assets to determine that the cost is fairly amortised over the expected life of the asset. The Hospice building, which includes a significant element of specialist facilities, has been reviewed with the benefit of professional advice. It is concluded that consistent with similar facilities and with the benefit of regular maintenance the existing building should have a life expectancy of 35 years from April 1999 before needing to be replaced. Similarly the Cottage Hospice has a life expectancy of 35 years from December 2019 before needing to be replaced. No depreciation is provided on freehold land.

l) Fixed Asset Investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Investment in a subsidiary company is held at cost less accumulated impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

m) Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in profit or loss.

n) Financial instruments

Financial instruments are recognised in the Balance Sheet when Hospice in the Weald becomes party to the contractual provisions of the instrument. The group has elected to apply the provisions of section 11 “Basic Financial Instruments” of FRS102 to all its financial instruments. Financial instruments are classified into specific categories and the classification depends upon the nature and purpose of the instruments and is determined at the time of recognition. Hospice in the Weald’s financial instruments are categorised as basic financial instruments.

o) Financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as “loans and receivables”. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

p) Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

q) Stock

Stocks of donated goods are not brought into these financial statements under SORP FRS 102, paragraph 6.29. Stocks accounted for are goods for resale, which are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

r) Debtors

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

s) Cash at bank and in hand

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

t) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

u) Pensions

The group contributes to the NHS Superannuation scheme for nursing and medical staff, which is a defined benefit scheme treated as a defined contribution scheme, and to a defined contribution scheme in respect of its other employees. Contributions are charged in the accounts as incurred or as a liability when recognised in accordance with employment legislation.

v) Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

w) Estimates and area of judgements / uncertainty

The group does not make estimates or assumptions regarding the future and has no intangible assets. All leases are operating leases.

2. Financial Performance of the charity - Incoming Resources

2.1 Core funding from statutory bodies

	2021	2020
	£	£
West Kent CCG	818,260	883,766
East Sussex Downs & Weald CCG	100,612	98,639
	<u>918,872</u>	<u>982,405</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2.2 Other grants

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
NHSE COVID	-	2,192,060	2,192,060	-	-	-
WKCCG Pharmacy	94,692	-	94,692	104,361	-	104,361
WKCCG Continuing Care & Fees	94,398	-	94,398	159,007	-	159,007
Workforce Development Fund	9,010	-	9,010	7,215	-	7,215
Kent County Council Social Services	33,240	-	33,240	24,540	-	24,540
Kent, Surrey & Sussex Deanery	79,845	-	79,845	95,233	-	95,233
Coronavirus Job Retention Scheme Grant (Furlough)	283,934	-	283,934	-	-	-
Business Interruption Insurance Claim	574,397	-	574,397	-	-	-
Shop local council COVID grants	790,868	-	790,868	-	-	-
	1,960,384	2,192,060	4,152,444	390,356	-	390,356

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

3. Commercial trading operations

	2021	2020
	£	£
Income	329,130	664,088
Cost of sales	(27,466)	(43,876)
Administrative expenses	(292,915)	(597,533)
Total expenditure	(320,381)	(641,409)
Net Profit for the year	8,749	22,679
Amount gifted to the charity	8,749	22,679

Commercial trading operations cont.

Included in income is £181,889 (2020: £422,334) of transactions between the two companies that have been removed upon consolidation being the procurement charge in regards to sales made under the gift aid scheme.

4. Investment income and interest

	2021	2020
	£	£
Bank interest	1,023	15,720
Dividends	1	207
	1,024	15,927

5. Total net incoming resources are stated after charging:

	2021	2020
	£	£
Amounts payable to the auditors in respect of: Statutory audit	25,000	18,650
Amounts payable to the auditors in respect of other services (corporation tax compliance)	3,025	8,325
Depreciation	473,456	346,268
Operating lease rentals	538,907	533,907

6. Fund-raising costs

	2021	2020
	£	£
Staff costs	389,608	420,090
Publicity	310,345	254,219
Event costs	12,913	125,409
Lottery	123,077	131,685
	835,943	931,403

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7. Hospice Services

Direct costs

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Hospice in the Home	1,877,481	74,951	1,952,432	1,621,169	118,2422	1,739,411
Cottage Hospice	663,765	96,225	759,990	332,522	45,962	378,484
Counselling	274,207	-	274,207	269,050	-	269,050
Hospice Day Services	676,369	-	676,369	586,155	-	586,155
In-Patient Ward	-	2,117,109	2,117,109	2,042,295	-	2,042,295
Hospitality	443,875	-	443,875	733,583	-	733,583
Communications	43,482	-	43,482	58,749	-	58,749
Depreciation	473,453	-	473,453	329,329	-	329,329
	4,452,632	2,288,285	6,740,917	5,972,852	164,204	6,137,056

Support Costs

Indirect costs of providing Hospice Services

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Office costs	278,961	-	278,961	319,134	-	319,134
Information technology	104,007	-	104,007	158,394	-	158,394
Accommodation	284,893	-	284,893	146,951	-	146,951
Accountancy and audit	20,175	-	20,175	18,325	-	18,325
Legal Costs	18,154	-	18,154	6,474	-	6,474
	706,190	-	706,190	649,278	-	649,278
Total Hospice Services costs	5,158,822	2,288,285	7,447,107	6,622,130	164,204	6,786,334

No Member of the Board received any remuneration, fees or reimbursement of expenses from the group during the year under review or the previous year.

No Member of the Board was associated with any contract of purchase or supply to the Hospice during the year under review or the previous year except as set out in note 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

8. Staff costs	2021	2020
	£	£
Wages and salaries	5,758,435	5,434,044
Social security costs	500,359	455,435
Other pension costs - unrestricted	506,648	479,742
	6,765,442	6,369,221
The average number of persons working for the group (excluding Trustees and volunteers) during the year was as follows	2021	2020
Medical and nursing	144	139
Counselling & Support Services	7	7
Fundraising (including Lottery)	13	14
Facilities, Catering and Housekeeping	25	23
Shops	53	52
Commercial Trading	3	5
Finance and IT	7	7
Management and administration	6	10
	258	257
The number of employees whose emoluments exceeded £60,000 was:		
£60,001 - £70,000	2	2
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

In respect of higher paid employees benefits were paid into a defined contribution scheme for 2 (2020:3) employees and into a defined benefit scheme for 2 (2020:1) employees. Total contributions to a defined contribution scheme in respect of these employees were £13,510 (2020: £16,045).

Key management personnel remuneration costs for the year amounted to £430,009 (2020: £425,202).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9. Pension costs

The group contributes to the NHS Superannuation scheme for nursing and medical staff and to a defined contribution scheme for other staff. The NHS Superannuation Scheme is an approved multi-employer scheme and, as such, the charity is not able to identify its share of assets or the potential liability it may have to the scheme at the balance sheet date. Contributions payable in the accounting period are charged to the statement of financial activities as they fall due. The pension costs, classified under staff costs, represent contributions payable by the group to the schemes and amount to £506,648 (2020: £479,742).

10. Tangible fixed assets

Group	Investment	Freehold	Leasehold	Motor		
Cost or valuation	Properties	Properties	Shop refits	Vehicles	Equipment	Total
	£	£	£	£	£	£
At 1 April 2020	285,821	12,129,993	232,134	51,050	309,937	13,008,935
Additions	-	30,763	-	-	-	30,763
Transfer	-	(177,766)	-	-	-	(177,766)
At 31 March 2021	285,821	11,982,990	232,134	51,050	309,937	12,861,932
Depreciation						
At 1 April 2020	-	3,268,501	58,330	25,971	173,773	3,526,575
Charge for year	-	382,992	29,743	6,559	54,162	473,456
At 31 March 2021	-	3,651,493	88,073	32,530	227,935	4,000,031
Net book value						
At 31 March 2021	285,821	8,331,497	144,061	18,520	82,002	8,861,901
At 31 March 2020	285,821	8,861,488	173,804	25,079	136,164	9,482,356

Investment property comprises freehold buildings. The fair value of the investment property at 31 March 2021 is not considered to be materially different to the purchase price on 23 February 2017.

The Trustees consider the cost to be equal to the fair value at year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. Tangible fixed assets cont.

Charity	Freehold	Leasehold	Motor		
Cost or valuation	Properties	Shop refits	Vehicles	Equipment	Total
	£	£	£	£	£
At 1 April 2020	12,129,993	232,134	51,050	301,018	12,714,195
Additions	30,763	-	-	-	30,763
Transfer	(177,766)	-	-	-	(177,766)
At 31 March 2021	11,982,990	232,134	51,050	301,018	12,567,192
Depreciation					
At 1 April 2020	3,268,501	58,330	25,971	164,854	3,517,656
Charge for year	382,992	29,743	6,559	54,162	473,456
At 31 March 2021	3,651,493	88,073	32,530	219,016	3,991,112
Net book value					
At 31 March 2021	8,331,497	144,061	18,520	82,002	8,576,080
At 31 March 2020	8,861,488	173,804	25,079	136,163	9,196,534

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11. Fixed Assets Investments Portfolio

Group and Charity	2021 £	2020 £
Quoted and listed investments (including cash held for investment)	16,350,950	11,939,981
Quoted and listed investments comprise:		
UK managed funds with investment manager	16,350,950	10,905,305
Cash on Deposit	-	1,034,676
	<u>16,350,950</u>	<u>11,939,981</u>
Movements on quoted and listed investments:		
Market Value at beginning of the year	10,905,305	11,074,142
Additions at cost and investment fees	2,469,534	(25,330)
Disposals at carrying value	-	-
Net gain/(loss) on revaluation	2,976,106	(143,507)
Market value at the end of the year	<u>16,350,950</u>	<u>10,905,305</u>
Cash Balance at year end	<u>-</u>	<u>1,034,676</u>
Historical Cost at 31 March	<u>12,758,526</u>	<u>9,807,504</u>
Investments which comprise more than 5% of the total market value of investments at the 31 March 2021 were:		
Sarasin Alpha CIF for endowments (accumulated units)		<u>15,296,864</u>

12. Shares in subsidiary undertakings

	2021 £	2020 £
Cost of shares in subsidiary undertakings	<u>100</u>	<u>100</u>

	% of Ordinary Shares held	Country of incorporation
Hospice in the Weald (Trading) Limited	100%	England and Wales

Hospice in the Weald (Trading) Limited, company no 1886504, has assets of £426,864 and liabilities of £422,840.

13. Stocks

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Goods for resale	<u>13,754</u>	<u>11,056</u>	<u>-</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. Debtors

	Group		Charity	
	2021	2020	2021	2020
Other debtors	109,775	186,622	109,775	189,989
Trade debtors	21,375	44,347	8,651	28,877
HITW (Trading) Ltd	-	-	417,918	769,896
Accrued income	254,000	175,287	254,000	175,287
Prepayments and deferred costs	172,020	173,811	172,020	173,811
	<u>557,170</u>	<u>580,067</u>	<u>962,364</u>	<u>1,337,860</u>

The advance to Hospice in the Weald (Trading) Limited is in order to fund the fixed and working capital requirements of that company and carries interest at current market rates.

15. Creditors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Amounts due within one year				
Trade creditors	294,743	373,934	294,742	373,934
Other Creditors	21,017	19,349	16,095	19,349
Other taxation and social security creditor	139,117	-	139,117	-
Pension accrual	4,206	9,778	4,206	9,778
Accruals	73,897	120,762	73,897	120,762
Deferred income	64,540	68,267	64,540	68,267
	<u>597,520</u>	<u>592,090</u>	<u>592,597</u>	<u>592,090</u>

	2021	2020
	£	£
Deferred Income		
Brought forward	68,267	90,281
Deferred income	64,540	68,267
Spent	(68,267)	(90,281)
Carried forward	<u>64,540</u>	<u>68,267</u>

Deferred income relates to lottery subscriptions paid in advance of the weekly draw and released as the draw takes place and We:train courses which are released as and when the course takes place.

16. Financial Instruments

Financial Instruments - Group

	2021	2020
	£	£
Carrying amount of financial assets		
Equity instruments measured at fair value through profit loss	16,350,950	11,939,981

Financial Instruments - Charity

	£	£
Carrying amount of financial assets		
Equity instruments measured at fair value through profit loss	16,350,950	11,939,981

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

17. Movement in funds

Group	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers / Other gains £	Balance at 31 March 2021 £
Unrestricted funds					
General fund	6,633,314	8,671,901	(7,308,731)	(654,428)	7,342,056
Designated funds					
Hospice Fixed Assets	9,196,531	30,763	(651,221)	-	8,576,073
Hospice Building Funds	7,822,233	-	(177,766)	2,630,533	10,275,000
Children's Services Fund	-	-	-	500,000	500,000
ICT Infrastructure	-	-	-	500,000	500,000
Total designated funds	17,018,764	30,763	(828,987)	3,630,533	19,851,073
Restricted funds	96,225	2,192,060	(2,288,285)	-	-
	23,748,303	10,894,724	(10,426,003)	2,976,105	27,193,129

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

17. Movement in funds cont.

Charity	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers / Other gains £	Balance at 31 March 2021 £
Unrestricted funds					
General fund	6,629,389	8,533,408	(7,170,237)	(654,428)	7,338,132
Designated funds					
Hospice Fixed Assets	9,196,531	30,763	(651,221)	-	8,576,073
Hospice Building Funds	7,822,233	-	(177,766)	2,630,533	10,275,000
Children's Services Fund	-	-	-	500,000	500,000
ICT Infrastructure	-	-	-	500,000	500,000
Total designated funds	17,018,764	30,763	(828,987)	3,630,533	19,851,073
Restricted funds	96,225	2,192,060	(2,288,285)	-	-
	23,744,378	10,756,231	(10,287,509)	2,976,105	27,189,205

Designated Funds: Hospice Fixed Assets corresponds to the net book value of the Hospice's fixed assets. The Hospice Building Funds are monies designated for future development plans including a second Cottage Hospice and development of the land next to the Hospice.

Restricted Funds: All restricted income has been raised via the Cottage Hospice appeal were spent in accordance with that project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18. Analysis of group net assets between funds

	General Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Group 2021				
Fixed assets & investment properties	-	8,861,901	-	8,861,901
Investments	5,361,778	10,989,172	-	16,350,950
Current assets	2,572,875	-	-	2,572,875
Current liabilities	(592,597)	-	-	(592,597)
	<u>7,342,056</u>	<u>19,851,073</u>	<u>-</u>	<u>27,193,129</u>
Charity 2021				
Tangible fixed assets		8,576,080	-	8,576,080
Investments	5,075,957	11,274,993	-	16,350,950
Shares in subsidiary company	100	-	-	100
Current assets	2,854,672	-	-	2,854,672
Current liabilities	(592,597)	-	-	(592,597)
	<u>7,338,132</u>	<u>19,851,073</u>	<u>-</u>	<u>27,189,205</u>
Group 2020				
Fixed assets & investment properties	-	9,482,356	-	9,482,356
Investments	4,403,571	7,536,410	-	11,939,981
Current assets	2,821,831	-	96,225	2,918,056
Current liabilities	(592,090)	-	-	(592,090)
	<u>6,633,312</u>	<u>17,018,766</u>	<u>96,225</u>	<u>23,748,303</u>
Charity 2020				
Tangible fixed assets		9,196,534	-	9,196,534
Investments	4,117,749	7,822,231	-	11,939,980
Shares in subsidiary company	100	-	-	100
Current assets	3,103,629	-	96,225	3,199,854
Current liabilities	(592,090)	-	-	(592,090)
	<u>6,629,388</u>	<u>17,018,765</u>	<u>96,225</u>	<u>23,744,378</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

19. Operating leases

	2021 £	2020 £
At 31 March 2021 the group and charity were committed to:		
Leases which expire - within one year	538,907	533,907
- within 2 to 5 years	1,215,161	1,496,685
- after 5 years	314,231	504,114
	<u>2,068,299</u>	<u>2,534,706</u>

20. Reconciliation of net income to net cash flow from operating activities

	Group 2021 £	2020 £
<i>Net income for the reporting period (as per the Statement of financial activities)</i>	3,444,826	1,238,988
Adjustments for:		
Depreciation charges	473,456	346,268
(Gains) / losses on investments	(2,976,105)	143,507
Dividends, interest and rents from investments	(1,024)	(15,927)
(Profit) / loss on the sale/disposal of fixed assets	177,766	-
Decrease / (Increase) in stocks	(2,698)	1,669
Decrease / (increase) in debtors	22,893	237,559
Increase / (Decrease) in creditors	5,430	(314,558)
	<u>1,144,544</u>	<u>1,637,506</u>

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

	Charity 2021 £	2020 £
<i>Net income for the reporting period (as per the Statement of financial activities)</i>	3,444,826	1,238,988
Adjustments for:		
Depreciation charges	473,456	346,268
(Gains) / losses on investments	(2,976,105)	143,507
Dividends, interest and rents from investments	(1,024)	(15,927)
(Profit) / loss on the sale/disposal of fixed assets	177,766	-
Increase / (decrease) in debtors	375,496	655,067
Increase in creditors	503	(203,685)
	<u>1,494,918</u>	<u>2,164,218</u>

21. Members' liability

Hospice in the Weald is a company limited by guarantee, with no share capital. Every member undertakes to meet the liabilities of the company in the event of its being wound up. The potential liability of each member does not exceed £1. Total guarantees at 31 March 2021 were £25 (2020:£25).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

22. Related party transactions

J Ford is a trustee of the charity and a partner in Cripps Pemberton Greenish, purchases of £1,066 (2020: £14,209) were made from Cripps Pemberton Greenish during the year for advice regarding NHSE grant repayments. There was no outstanding balance at year end (2020: £nil) and no provision for doubtful debts has therefore been made.

Included in total expenditure is £2,400 (2020: £7,230) of transactions between Hospice in the Weald and Hospice in the Weald (Trading) Limited that have been removed upon consolidation. £2,400 (2020: £2,400) is for shared office facilities at the Hospice building.

Included within debtors in the Charity balance Sheet is an amount of £ 417,918 (2020: £747,217) owed by Hospice in the Weald (Trading) Limited, a wholly owned subsidiary of Hospice in the Weald. This balance was eliminated on consolidation.

Related party transactions are carried out on an arm's length basis.

23. Capital Commitments

At 31 March 2021 the group had a capital commitment of £575,000 for the purchase of The Shepherd's House, Five Ashes completed in April 2021 (2020: £nil).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOSPICE IN THE WEALD

Opinion

We have audited the financial statements of Hospice in the Weald (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOSPICE IN THE WEALD

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out 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.

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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOSPICE IN THE WEALD

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOSPICE IN THE WEALD

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Act 2014, Care Quality Commission regulations and UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

NICHOLAS SLADDEN (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
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Date: 8 November 2021