# NORTH DEVON HOSPICE

England & Wales · Charity number 286554

## Details

| | |
|---|---|
| **Other names** | HOSPICE CARE TRUST (NORTH DEVON), NORTH DEVON HOSPICE CARE TRUST, NORTH DEVON HOSPICE |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 01696150 |
| **Registered** | 1983-03-22 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Deer Park<br>Newport<br>Barnstaple<br>North Devon<br>EX32 0HU |
| **Phone** | 01271347244 |
| **Email** | info@northdevonhospice.org.uk |
| **Website** | www.northdevonhospice.org.uk |

## Activities

**Objects:** TO PROMOTE THE RELIEF OF SICKNESS IN SUCH WAYS AS THE ASSOCIATION SHALL FROM TIME TO TIME THINK FIT.

**Activities:** The provision of specialist care to patients with cancer or other life-threatening illnesses in order to help the patient have the best quality of life in the time left by responding appropriately to their physical,emotional and spiritual needs.To support family members both before death and during the period of bereavement.

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## Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** People With Disabilities, The General Public/mankind

## Geography

- **Area of benefit:** NORTH DEVON
- Devon

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-03-31 | £6,989,912 | £7,533,947 | £13,274,411 | 194 |
| 2024-03-31 | £7,070,113 | £7,179,879 | £13,858,931 | 187 |
| 2023-03-31 | £6,024,945 | £6,594,078 | £13,532,179 | 178 |
| 2022-03-31 | £6,339,598 | £6,056,981 | £14,322,138 | 176 |
| 2021-03-31 | £8,162,585 | £5,514,468 | £13,737,934 | 168 |

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## Trustees

| Name | Role | Appointed |
|---|---|---|
| Andrew Evan Paul Turner | | 2025-03-24 |
| Andrew Ian MacKenzie-Shapland | | 2024-04-04 |
| Caroline Emma Sparke | | 2025-03-24 |
| Dr Karen Cox | | 2024-12-02 |
| Glenys Gray | | 2023-03-22 |
| Helen Maria Keddie | | 2022-11-29 |
| Jennifer Wendy Willmott | | 2020-02-06 |
| Lisa MCCORMACK | | 2022-03-31 |
| Pauline Ann Bromell | | 2025-03-24 |
| Rachel Withecombe | | 2024-04-04 |
| Robert John Barrow | | 2024-04-04 |
| Zara Jane Svensson | | 2017-10-05 |

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**NORTH DEVON HOSPICE**

England & Wales - Charity number 286554

# Accounts




North Devon Hospice

# TRUSTEES REPORT

## 2024 - 2025

Registered charity number 286554




# OUR APPRECIATION

We believe your life's a story. The ending matters.

North Devon Hospice's mission is to provide outstanding care and support to the community of North Devon who are impacted by a life-limiting illness. We can only achieve this together with you. It is your individual donations, business support, fundraising events, lottery memberships, gifts in wills and trust grants that enable us to be there for all the family.

In choosing to support us you are in fact making sure that death is as dignified and pain-free as possible for thousands of people on their behalf, thank you.

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# CHIEF EXECUTIVE'S REVIEW



It is my privilege to present this year's Annual Report and Accounts, a reflection on a year of deep significance for North Devon Hospice. As we marked our 40th anniversary, we celebrated four decades of compassionate care in our community - an achievement made possible only through the extraordinary support of those we serve.

One of the defining moments of this year was the retirement of our longstanding Patron, Lady Arran. Her unwavering support and dedication over many years has left a lasting legacy. Lady Arran has been a true ambassador for hospice care, and we owe her a heartfelt thank you for her kindness, commitment and belief in our mission. She has helped shape North Devon Hospice into the compassionate and trusted charity it is today.

Our 40th anniversary was also an opportunity to look to the future, and one of the most rewarding aspects of our celebration was our primary schools engagement programme. This initiative brought the next generation into our story, helping young people understand the importance of empathy, care, and community - values at the heart of our care, as well as trying to normalise the conversation around death and dying. Death remains one of society's taboo topics and as such, if we can positively change this at a young age, it will mean that future generations will not be so guarded and fearful of what is only a natural part of life.

This year we were proud to be recognised on a national stage as finalists in the Nursing Times Awards for our innovative Safe Care model. This accolade highlights the exceptional work of our clinical team and the lengths we go to, to ensure the safety and wellbeing of those in our care. More than this though, we were also shortlisted for Charity of The Year at the Charity Times Awards and Best Use of Social Media & Best Communications Team at the Third Sector Awards. As a local charity to be selected alongside the likes of the RNLI, Macmillan and Cancer Research is a testament to our continuous passion to always be innovative and improve. In so doing, ensure that we are always in the best position to serve the community we are privileged to care for. We have also developed a new Nurse Associate career path, offering healthcare assistants a clear and supported journey into nursing. This development not only strengthens our team but also reflects our commitment to nurturing local talent and providing rewarding career opportunities.

The Cuddle Appeal, our major public fundraising campaign this year and a first in over a decade, was an outstanding success. The response from our community was nothing short of inspiring, with people embracing the appeal's message of providing comfort and connection at the end of life as well as support to ensure people remain in their own homes to the very end. It is a powerful reminder that, even in the toughest times, the people of North Devon continue to stand behind their hospice with incredible generosity.

We must also acknowledge the financial challenges we've faced. The increase in National Insurance contributions has added a further £158,000 to our annual costs - an unplanned burden that comes at a time when all charities are facing mounting pressures. Despite playing a full and active role in the Devon Integrated Care Board's review of end-of-life care commissioning, we were disappointed not to secure the funding uplift we had hoped for. While we remain a vital part of the Devon care landscape, this decision underscores the importance of ongoing public support. Through successful negotiations at a national level we have benefitted from Hospice UK's success in securing over £100m from the government to support capital expenditure across the UK. Again, this is not the support that the hospice sector sought, as fairer funding will ensure the sustainability of the sector not the ability to purchase capital items. That said, we have used our portion this year of £106k to complete the refurbishment of the Diana Wing. The dedicated space for Supportive Care now offers a more modern, calming, and therapeutic environment. Here, patients and their families receive vital one-to-one counselling, group support, bereavement services, and complementary therapies.

Yet through all of this, we remain resilient, thanks to the strength of our team and the unwavering kindness of our community. Every donation, every hour volunteered, and every act of support makes a tangible difference. It is with immense gratitude that I thank you all - our supporters, staff, volunteers, and partners - for standing with us.
Together, we can continue to ensure that the community of North Devon can face dying pain free and with dignity. Your life is a story and the ending matters.



**Mr. Stephen Roberts**
Chief Executive Officer

# CHAIR'S REVIEW



Reflecting on the past 12 months it is clear to see that North Devon Hospice has faced challenges and opportunities with its characteristic stoicism and commitment to the community it serves. In my first year as a Chair of the Board of Trustees it is an honour to report on the outstanding work it has done.

Over 40 years it has provided unfailing support and care to those in our local community facing the end of their lives and to their families. Its work has continued to develop despite turbulent economic times.

In the last year, we have seen new projects come to fruition; from the installation of energy efficient solar panels to the expansion of our specialist furniture store. All are a tribute to those involved, both staff and volunteers, and stand as an example of the combination of innovation and meticulous planning which has enabled North Devon Hospice to survive and thrive.

We have been joined on the Board by new faces, bringing a wealth of experience and expertise to help steer the hospice into the future. The Board has again this year had the immense benefit of the senior management team whose commitment knows no bounds and a dedicated body of staff and volunteers. All involved in North Devon Hospice can rightly be proud of the year's achievements. It is encouraging to see those achievements recognised in hard-earned awards and heartfelt tributes.

The financial landscape is perhaps as challenging and uncertain as it has ever been. Budgets remain under pressure and of course every penny is crucial in dictating the extent and level of service North Devon Hospice can offer. Despite rigorous and prudent financial planning, it is an enormous challenge to continue to offer excellent and wide-ranging services when funding, particularly statutory funding, is uncertain. Our local community recognise by their donations the worth of our work and we look to the government to do likewise.

I cannot end my report without paying tribute to the work and dedication of Lady Arran who has stepped down as our patron this year. Her tireless support has been invaluable. It is wholly fitting that our care building now bears her name.

I wish to thank all who support the North Devon Hospice with donations of time, expertise and of course money. Your contribution is hugely appreciated and is vital to enable the Hospice to continue to serve the people of North Devon.



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**Zara Svensson**
Chair of the Board of Trustees

# OUR MISSION AND STRATEGIC OBJECTIVES

## CHARITABLE MISSION

To provide outstanding care and support to the community of North Devon who are impacted by a life limiting illness.

The Trustees have referred to the guidance provided by the Charity Commission on public benefit. They are satisfied that the aims, objectives and activities of the Charity meet with the terms of this guidance as well as North Devon Hospice's own Articles of Association.

## STRATEGY

2024 marked the completion of the fourth year of our five year strategy. As ever, we have maintained a pro-active focus on achieving our eight strategic objectives, all aimed at delivering outstanding care to patients and their families. The following highlights the impact of our continued commitment:



### 1. Be there for everyone who needs us by providing outstanding care

#### Key Impact in 2024/25:

- **We cared for 1,577 (2023/24 1,571) people across North Devon**
- **Our Community Clinical Nurse Specialists made 3,333 visits across the whole of North Devon (2023/24 3,123) supporting 1,003 people (2023/24 1,136)**
- **Our Bedded Unit cared for 89 complex patients (2023/24 101)**
- **Our Supportive Care team cared for 1,209 people (2023/24 1,143)**
- **Our SafeCare Model to ensure safer staffing levels across our care teams against the more complex case load was a finalist in the Nursing Times Awards for Patient Safety**
- **We completed the refurbishment of our Diana Wing at Deer Park thereby providing a better care environment for our Supportive Care beneficiaries.**



## 2. Walk arm in arm with every healthcare partner who, in working with them, will enhance our patient care

### Key Impact in 2024/25:

- Our registered nurses continue to support the district nurses (DN) with replenishing syringe drivers of patients on our case load, ensuring that syringe drivers are replenished on time each day. We have regular contact with the DN teams to ensure all parties are up to date with the plan of care
- We continue to be an active member of the Devon Integrated Care Board (ICB) End of Life Care Steering Committee. As part of their 3 year medium term End of Life Care Commissioning Plan they are creating task and finish groups on a number of initiatives which we remain heavily involved in
- We have established a new referral pathway with Citizens Advice and Macmillan.



## 3. Enhance End of Life Care Across North Devon Through Education

### Key Impact in 2024/2025:

- Developed and rolled out End of Life Care Resource packs specifically for Care Homes
- Working with University of Bolton to deliver palliative care degree module at NDH
- The team provided education to 492 healthcare professionals across the year (2023/24 414).



## 4. Nurture Content, Engaged Skilled & Fulfilled Staff

### Key Impact in 2024/2025:

- We have created a Positive Psychology Framework for the Senior Management Team and Leadership Team as part of our commitment to ongoing leadership development
- We have developed a new Hospice Induction and Employee Handbook, with an informal style but with a streamlined focus on our updated core competencies and an overview of positive psychology
- We ran our first Health Fair for staff, as part of our Health and Wellbeing Strategy. Over the first two weeks of March we have run a series of therapy sessions, wellbeing activities,

talks and workshops for staff to participate in. 80 members of staff have taken part in at least one activity

- We carried out our staff survey which was the most positive yet with 98% of staff stating they enjoyed the work they do as well as being proud to work for the hospice. The survey also included the comment: *" It feels like I am surrounded by family every single day.....I've never worked in an environment where I don't dread coming into work on a Monday morning, I am genuinely excited to turn up to work everyday and be surrounded by such amazing people."*
- We have developed our first internal Healthcare Assistant to Nurse Associate role in support of a nursing career path for our care team
- We have been awarded the "Veteran Aware" accreditation from the Veterans Covenant Healthcare Alliance (VCHA), designed to ensure healthcare organisations provide the best possible care and support to the Armed Forces community, including serving personnel, veterans, and their families. The program requires accredited organisations to demonstrate a commitment to understanding and meeting the specific needs of this community.




## 5. Embrace Our Volunteering Community & Encourage You To Become Part Of It

### Key Impact in 2024/25:

- A new volunteer role within the community palliative care team was recently identified. This has developed into a whole team of Duty Support volunteers to support the Duty Clinical Nurse Specialist every weekday
- Mary Brooks, a long standing volunteer, has been awarded the League of Mercy Medal for her years of tireless service across many roles in the hospice
- We have developed a Care Volunteer Programme which is a formal 6 week "bedside" training programme based on the Bedded Unit giving anyone interested in entering the care profession "hands on" experience. So far we have run 3 successful cohorts supporting a range of people from sixth formers applying to medical and nursing schools to mature career changers. One of whom went on, with further training, to join our Bedded Unit care team!



## 6. Embrace Technology To Enhance Our Care

### Key Impact in 2024/25:

- We have supported the implementation of Electronic Treatment Escalation Plan (ETEP) with the wider health community across the Southwest. This will ensure better quality and consistency amongst health care professionals
- We were awarded the Cyber Essentials Plus (CE+) accreditation.



## 7. Be Financially Stable To Continue To Be There For All The Family

### Key Impact in 2024/25:

- Our total income this year was £6.99million a decrease of £80k from the previous year (2023/24 £7.07m)
- Our total operating deficit was £544k (2023/24 deficit was £109k)
- We decreased reserves by £585k during the year. Combined with our movement of funds makes our total reserve position £13.27m (2023/24 £13.9m)
- New Furniture Shop: Opened its doors on 4th November, and has broken all records with a £4k income day and an over £11k income week
- Mission:Unbreakable, our fundraising Commando Challenge, has had a record-breaking year, over £120k has been raised to date.



## 8. Ensure That The Relationship We Have With The Community We Serve Inspires And Mobilises People To Support North Devon Hospice's Mission

### Key Impact in 2023/24:

- We ran our highly successful Cuddle Appeal to raise £30k over 6 weeks for a cuddle bed on the Bedded Unit as well as to support our care in the community. It had a fantastic response raising £84k
- Schools Engagement Programme: we launched our schools engagement programmed aimed at Year 6 of Primary Schools to help teach children about dying and grief
- We were shortlisted for several national charity awards:
    - Two Third Sector Awards for:

        - **Best Use of Social Media**
        - **Best Communications Team**
    - **The Charity Times Awards: Charity of The Year**
- **This year's Open Gardens took place on Saturday 1st June. It was a beautiful sunny day that saw 880 visitors - enjoy the gardens, buy plants and savour food from the terrace**
- **During September we received an unannounced visit from the Environmental Health Officer, our first visit since 2019. We have retained our 5 star rating in the Terrace Café and kitchens**
- **With an amazing gift in kind from local company Bray Leino, we launched our new website. It was rebuilt from scratch and is far more impactful, engaging, informative and easy to access across multiple platforms**
- **We have developed a School "Work Ready" Programme: aimed at supporting students develop skills around job applications and interview skills.**

# YOUR IMPACT

## YOUR CLINICAL CARE

To achieve our mission of providing outstanding care it is imperative that we never stop looking for opportunities to develop our care. In so doing we can ensure that our care safely meets the ever changing needs of our patients both now and in the future. As such, the last year has seen a number of positive developments which will ensure that we are in the best position to provide outstanding care to our patients.

The success of our SafeCare staffing model is a good example of this. It has received national recognition and praise across the healthcare sector, even being a Finalist in the National Nursing Times Awards. This innovative tool enables you to assess the complexity of the patient against the level of nursing input required over a particular shift. In so doing, we can always be assured that we have the appropriate level of safe staffing levels to meet the needs of what is an ever increasing complexity of patient we are caring for.

Such care is only possible thanks to our staff and with palliative medicine being a specialism, it is of the utmost importance that we recruit, retain and professionally develop our staff. As such it was pleasing to establish a new Nurse Associate role. In so doing create a career path for our Healthcare Assistants (HCA's) to progress towards becoming a registered nurse. One of our longstanding HCA's has taken up this opportunity with another starting imminently.

2024 saw us yet again receive the highest number of referrals for our care than we have ever had with 1,577 people being referred for our support.

| Hospice Services Provision | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|---|---|---|---|
| Number of new referrals: | 1,395 | 1,449 | 1,439 | 1,144 | 1,243 | 1,431 | 1,571 | 1,577 |

## YOUR BEDDED UNIT

We continue to see the complexity of the patients that we are privileged to look after increase. With this comes a heightened level of medical and nursing input required to ensure effective symptom control and a dignified death.

Thanks to your support we have cared for 89 people (2023/24 101) this year on the Bedded Unit.

We were excited to see the year supported three cohorts of our new care volunteering programme. The formal 12-week programme provides hands on, bedside training and support for anyone seeking to enter a career in healthcare. The feedback so far has been

100% positive and the programme has been instrumental in supporting people into medical school, nursing school and career changes.

Thanks to grant funding, the patient and family lounge on the Bedded Unit has now been refurbished creating a homely and relaxing space for patients and their visitors.

Last year we reported on the positive impact that having a "cuddle bed" had on the patient and family member experience. The bed is designed and compatible for two people to lie on. It can be extended to suit patient need and allows the patient to have a cuddle with their loved one whilst still providing all the required clinical support to the patient's needs. The success, impact and demand for the bed led us to run a public appeal to raise £30k for a new bed and to support care in the community. The response was overwhelming with us raising over £84k and being now able to purchase two beds. This will have a profound effect on so many families.



**THANK YOU SO MUCH FOR THE INCREDIBLE CARE AND SUPPORT YOU GAVE OUR MUM.**

## YOUR COMMUNITY SPECIALIST PALLIATIVE CARE NURSING

Ultimately our care is focused on keeping you where you want to be cared for which for most people facing the end of their life is in their own home. Our clinical nurse specialists (CNS) supported 1,003 (1,136 in 2023/24) people to achieve this and die where they wanted, in their own home. Covering one of the largest rural areas in England, geography was not and never is a factor to access our care with our nurses travelling over 20,000 miles to make 3,333 (3,123 in 2023/24) visits to patients.

**1,003**

**NUMBER OF PATIENTS SUPPORTED BY OUR CNS TEAM**



**WHENEVER WE RANG, YOU WERE THERE FOR US STRAIGHT AWAY, POPPING OVER TO VISIT, ALWAYS SO HELPFUL AND HONEST WHICH WE REALLY APPRECIATED.**

## YOUR HOSPICE TO HOME

2024/25 saw the Hospice To Home team focus in on what it does best, rapid response interventions to support patients staying at home rather than unnecessarily being conveyed to hospital. With this focus the Hospice to Home team remains heavily relied upon by district nurses and the pathfinder team at North Devon District Hospital. The team made 3,207 visits in the year.



**YOUR SUPPORT MEANT SUCH A LOT AND HELPED SO MUCH WITH THE PRESSURE OF EVERYTHING WE WERE HAVING TO DEAL WITH. WE REALLY CAN'T THANK YOU ENOUGH.**

## YOUR SUPPORTIVE CARE

When someone is diagnosed with a life-limiting illness it is not only their life that changes forever but also the lives of their loved ones. As such, as important as our medical care is to support patients, emotional support to care for patients and their families' mental health is vital. To achieve this we provide a wide range of activities, group support and 1:1 support via our Supportive Care Team.

The last 12 months has seen the Supportive Care Team develop further our extensive programme of support. Some of the additions include:

**FAMILY EVENTS:** Events held at Deer Park (in the school holidays) for children and their families in the hospice community. These days are designed for families to get together with others, share experiences and express feelings creatively. Weather permitting, these events were held outside, exploring the gardens and using nature as inspiration.

**TWILIGHT GROUP:** This is a facilitated creative therapeutic space for families in the hospice community, where we offer a space for children after school and an adult family member to share their experiences and express themselves creatively.

**CHOICES:** A 6-week course based on commonly requested information or supportive topics to generate conversations in an informal but safe space. Example topics include Managing Fatigue, Everything Food, Funeral Options, Advance Care Planning and Getting Paperwork in Order.
Our programme to support primary school staff and children to have conversations about death and dying launched in October, with three schools keen to have us in to lead conversations.

In 2024/25 the team supported 1,209 people (1,143 in 2023/24).



**THANK YOU FOR YOUR LISTENING EAR AND WORDS OF SUPPORT. THIS TIME TO TALK HAS BEEN SO IMPORTANT.**

## YOUR CLINICAL EDUCATION

In the healthcare sector, end of life care is everyone's business yet it is a specialism that requires certain skills to ensure effective patient support. As the subject matter experts in end of life care, it is important that our expertise is shared with our healthcare professional colleagues, to ensure that everyone gets the best possible care at the end of their life. As such 2024/25 saw our education team as busy as ever providing a full programme of education topics to our staff as well as other healthcare professionals.

Recognising the important role that nursing and care homes play in supporting end of life care, we produced a dedicated resource pack for their staff which greatly upskilled their teams to better look after end of life patients.

Recognising our expertise, we will be offering a palliative care degree module here at the hospice as part of the University of Greater Manchester's nursing degree course.

In the year our clinical education team supported 492 healthcare professionals (2023/24: 414).

## OUR VOLUNTEERS

Without volunteers North Devon Hospice simply could not operate. Volunteers are enshrined into the DNA of our organisation, every single department being supported by volunteering. In 2024/25 we had over 450 people give the greatest gift of all, their time. In so doing, they have enabled North Devon Hospice to continue to be there for all the family.

What was particularly pleasing to see this year was the increase in care side volunteering. In one year we have developed the Care Volunteer Programme as previously mentioned in "Your Clinical Care," we have developed a Duty Volunteer role which supports our single point of triage and the duty clinical nurse specialist to field calls coming into the hospice. We have also developed a volunteer role on the Bedded Unit in support of the Ward Clerk. All of which further cements the impact that our volunteers have on our patients and their families.

We are only here for the community and because of the community that we serve. As such, we place great merit in engaging with the younger demographic within our community. With this in mind, 2024/25 saw us develop a dedicated programme to support Duke of Edinburgh Award students. Further to this our People Team attended the Induction Fair at Petroc to promote volunteering opportunities to students. This also enabled the team to develop relationships with staff at Petroc regarding placements and other opportunities. We are planning to attend similar events at Bideford College in the future.



**THE HOSPICE HAS FELT LIKE A LITTLE FAMILY. IT HAS BEEN A PLEASURE GETTING TO KNOW YOU ALL.**

We want to make volunteering with us as easy as possible. Recognising this but also that we are a regulated healthcare provider, we have undertaken a complete refresh of volunteer recruitment, streamlining the process, documentation and mandatory training. This has resulted in us being able to onboard new volunteers in a more efficient way.

## OUR STAFF

Our ability to achieve our mission is nothing without having engaged, happy and content staff. As such it is imperative that we always look to improve the welfare and support given to all staff and, in so doing, create the best possible culture to work in. To achieve this, this year we have developed a Positive Psychology Framework for our Senior Management Team and Leadership Team. One of positive psychology's key aims is to help individuals, groups, and organisations flourish. It's about finding strategies to achieve positivity, happiness and fulfilment. The aim of the toolkit is to provide an overview of positive psychology and a range of tools we can all use on an everyday basis.

In March we ran our first Health Fair for staff, as part of our Health and Wellbeing Strategy. Over a two-week period, we ran a series of therapy sessions, wellbeing activities, talks and workshops for staff to participate in. 80 members of staff took part in at least one activity and feedback was excellent, with all sessions very appreciated and well received. As such this will now become an annual event for our staff.

2024 also saw us complete our bi-annual staff survey. It was heartwarming to see how positive the results were and how we continue to positively grow the culture here across all departments with over 96 % of staff agreeing with the statement that:

- "I ENJOY THE WORK I DO"
- "I ENJOY WORKING WITH THE PEOPLE IN THE HOSPICE"
- "I AM PROUD TO WORK FOR THE HOSPICE"

In addition, we saw a 23% increase in staff morale and a 26% increase in staff feeling better supported to manage stress. It is also important that we focus on the areas we need to work on. As such, we were given a clear line of sight that we needed to develop further communication across departments as well as increasing our environmental sustainability. Action plans for both these have been developed and are being implemented.

# WHAT WE WANT TO ACHIEVE

As we entered 2024/25, we marked the fourth year of our five-year strategy, which is focused on delivering the following key objectives:

1. Be there for everyone who needs us by providing outstanding end of life care
2. Walk arm in arm with every healthcare partner, to ensure local people receive the best care at the right time, in the right place
3. Provide education opportunities for the health care workforce to enhance end of life care in any setting
4. Nurture content, engaged and fulfilled employees and volunteers
5. Embrace our volunteering community and inspire people to get involved
6. Invest in technology to enhance our care
7. Have an inspired and motivated relationship with the community we serve
8. Be financially stable to continue being there for all the family.



In the next 12 months our key priorities will be:

1. Continue to work with the Devon ICB on their End of Life Care Medium Term Commissioning Plan with a view to get Hospice to Home commissioned
2. Successfully launch our secure dog walking field for income diversification
3. Increase net profit from our Retail division
4. Further role out our Schools Engagement Programme
5. Re-launch our Gifts In Will Programme
6. Successfully recruit a new Palliative Medicine Consultant
7. Rolling out our Positive Psychology Framework across the organisation.

## OUR GOVERNANCE

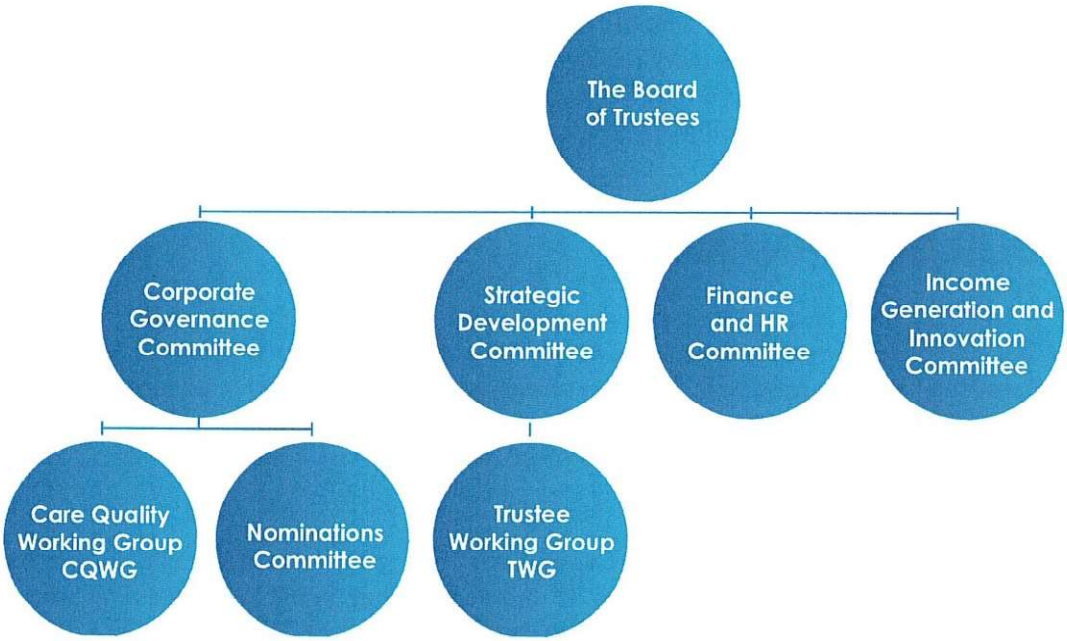
Our ability to provide care relies entirely on the support of the community we serve. Because of this, we have both a moral and regulatory responsibility to ensure every pound raised is used as effectively as possible. To sustain our organisation - so it can continue to exist, grow, and support families - we must make the most impactful use of all available resources.

Effective governance is central to achieving this. The ultimate responsibility lies with our Board of Trustees, which comprises 15 members. They work in partnership with our Senior Management Team, which includes the Chief Executive, Director of Care, Director of Finance, and Director of People & Organisational Development. Together, they form the governing Board.

The Board meets quarterly to formally review, challenge, and approve the organisation's strategic goals, annual budget, and key risks. At these meetings, the Chief Executive and Senior Management Team also present updates on performance, compliance, risk, and emerging opportunities within the hospice.

To support strong governance, the Board is assisted by four sub-committees, each of which is further supported by two dedicated working groups. The structure is outlined as follows:

## North Devon Hospice Governance Structure



### Corporate Governance Committee
Meeting quarterly, this committee oversees all matters related to governance, regulation (including health and safety), audit, and risk. It also receives reports from the Care Quality Working Group and the Nominations Committee. North Devon Hospice's risk register is reviewed by this committee prior to presentation to the Board.

### Strategic Development Committee
This committee meets twice a year to assess how well the hospice is progressing against its strategic plan, ensuring alignment with long-term goals and priorities.

### Finance and HR Committee
Meeting four times a year, this committee monitors the hospice's financial performance, comparing results against budgets and reserves. It evaluates whether the organisation has the necessary resources to achieve its objectives and receives the annual report from the external statutory auditors, who attend one meeting each year. The committee also oversees workforce and volunteer matters, ensuring morale remains at the forefront of the agenda.

### Income Generation & Innovation Committee
To maintain financial stability and ensure the hospice remains efficient and responsive to changing needs, this committee focuses on maximising income generation and fostering innovation. It plays a key role in securing the hospice's long-term sustainability and effectiveness.

To provide further support and enable deeper scrutiny of critical areas, the following working groups are in place:

### Care Quality Working Group
This group reinforces the hospice's focus on patient care by promoting robust clinical governance and overseeing quality assurance through audit and continuous improvement initiatives.

### Trustee Working Group
Attended by both the Board of Trustees and the Senior Management Team, this open forum allows for in-depth discussion of specific topics. Over the past year, the group has conducted a detailed review of the hospice's risk reserves, evaluated the relevance of strategic Key Performance Indicators, and explored commercial opportunities.

### Nominations Committee
Responsible for overseeing the recruitment of new Trustees and the Chief Executive, this committee ensures that key appointments align with the Board's governance responsibilities and long-term vision.

## Trustees' Statement on Governance Review

The Trustees continue to review the charity's operations against the governance code to ensure our commitment to excellence in governance. It is imperative to us that we ensure our practices align with the highest standards of accountability, transparency, and effectiveness.

The main areas reviewed are as follows:

1. **Strong Leadership and Strategy**: Our Board of Trustees continue to demonstrate robust leadership and strategic oversight, ensuring that our mission and vision are consistently pursued. The strategic plan is regularly reviewed and updated to reflect current needs and opportunities.
2. **Effective Decision-Making:** The processes and frameworks in place facilitate effective and timely decision-making. We have clear policies and procedures that guide our operations, ensuring decisions are made in the best interest of the charity and its beneficiaries.
3. **Transparency and Accountability:** Our commitment to transparency is evident in our reporting and communication with stakeholders. We maintain comprehensive records and provide regular updates on our activities, outcomes, and financial status.
4. **Board Skills and Development:** The Board is composed of individuals with diverse skills and expertise. We prioritise ongoing training and development to ensure Trustees are well-equipped to fulfil their roles effectively. Regular performance evaluations and succession planning are integral parts of our governance practice.
5. **Risk Management and Compliance:** We have a robust risk management framework that identifies, assesses, and mitigates potential risks. Compliance with legal and regulatory requirements is monitored closely, ensuring we adhere to all relevant standards and obligations.
6. **Stakeholder Engagement:** Our engagement with stakeholders is strong and proactive. We value the input and feedback from our beneficiaries, partners, donors, and the wider community, and use this information to continually improve our services.

The Trustees are confident that our adherence to the governance code not only enhances our effectiveness but also reinforces the trust and confidence placed in us by our stakeholders. We remain committed to continuous improvement and will regularly review our governance practices to ensure they remain fit for purpose and aligned with best practice.

## Our Commitment to Ethical Fundraising

At North Devon Hospice, we deeply value our donors and supporters. We are committed to treating everyone who supports our work with the utmost care, respect, and transparency. Our Trustees take their responsibilities under the *Charities (Protection and Social Investment) Act 2016* seriously and ensure our fundraising activities reflect this. As part of our commitment to best practice, we have voluntarily registered with the *Fundraising Regulator* and fully adhere to its *Code of Fundraising Practice* and the *Fundraising Promise*. Our dedicated fundraising team - comprised entirely of North Devon Hospice employees - organises signature in-house events like *Nightwalk* and *Mission: Unbreakable*. They also provide guidance and support to individuals and community groups running their own events or participating in challenges such as the *London Marathon* or skydives to raise funds on our behalf.

In addition to community engagement, the team works with local businesses, community organisations, trusts, and grant-making bodies to secure vital income for the hospice. We also raise funds through collection boxes placed across many local establishments and operate a weekly lottery via our trading subsidiary, with all profits gifted to the hospice. For lottery sign-ups, we engage third-party canvassers who are held to the highest standards. Their conduct is closely monitored through mystery shopping and random donor checks to ensure compliance with ethical fundraising practices.

We do **not** undertake door-to-door fundraising, cold calling, wealth screening, or the buying or selling of personal data.

All fundraising activities operate within a clearly defined annual budget, with performance monitored and regularly reviewed by the Chief Executive, Director of Finance, and the *Income Generation and Innovation Committee*, a sub-group of our Board of Trustees. We maintain a clear complaints procedure to address any concerns about our fundraising practices. This ensures:

- Every concern is taken seriously and investigated fairly.
- Responses are acknowledged within two working days or resolved in full within five working days when possible.
- Anonymity is respected upon request.
- Lessons are learned to improve future practice.

During the year ending 31 March 2025, we received five verbal concerns regarding fundraising. Three related to the loss of personal data at an event. All those impacted and the Information Commissioners Office (ICO) were all informed with the risk assessed of the data being used inappropriately as being low. The ICO confirmed that we had taken all the correct steps and that no further action was required. The other two verbal concerns related to our Lottery canvassing but were minor in nature and were resolved to the satisfaction of the individuals involved.

Safeguarding vulnerable individuals is a priority for us. All hospice staff, including fundraisers, are trained in safeguarding procedures. When assessing a donor's capacity or vulnerability, our fundraising team consults with healthcare professionals within the

hospice to ensure ethical decisions are made, always erring on the side of caution. We strive to ensure every donor has the opportunity to make an informed and voluntary choice when supporting our work.

## RISK MANAGEMENT

Effective risk management empowers North Devon Hospice to thrive and succeed as an organisation.

To achieve this, North Devon Hospice's risk management seeks to ensure that the entire risk profile of the organisation (both strategic as well as operational) is effectively identified and, where possible, managed.

North Devon Hospice defines risk as: *"The threat that an event, action or failure to act will adversely affect North Devon Hospice's ability to achieve its objective, capture opportunities or to deliver its aims to the required standards"*

North Devon Hospice defines risk management as: *"The proactive identification, evaluation, control and continued monitoring of those risks that threaten the assets, people, patients or reputation of North Devon Hospice"*

North Devon Hospice has in place a Risk Committee, Chaired by the Chief Executive and includes the Director of Finance, Head of Facilities as well as the Quality Lead. This committee meets throughout the year to review the departmental risk registers and the strategic risk register before then being able to create the North Devon Hospice Top Risks Register. A tailored risk assessment criteria which allows for risks to be scored across several criteria such as reputational impact, financial impact and service interruption is used to prioritise the risks identified.

The Current Top Risks to the success of North Devon Hospice's are:

It is against these top risks that the Board of Trustees are able to establish a clear line of sight on the levels the organisation should hold within its Risk Reserves.

| RISK: | ACTION PLAN: |
|---|---|
| **INABILITY TO FUND PEOPLE RESOURCES** | 1. Devon ICB Commissioning Review<br>2. H2H service review<br>3. Actively seeking diversification of income<br>4. FR and retail income streams closely reviewed |
| **MACRO-ECONOMIC CONDITIONS** | 1. Continue to promote the benefits and value that the hospice provide<br>2. Promote the need for continued financial support to local charity<br>3. Additional Fundraising Events planned<br>4. To increase reach, increase digital presence |
| **INABILITY TO SECURE REQUIRED FUNDING** | 1. EOL Funding review with commissioners<br>2. Continued pressure on HUK to cover future NHS pension costs.<br>3. Working with locality commissioners to reframe H2H in more of an admissions avoidance impact to better support potential funding. |
| **NO PALLIATIVE CARE CONSULTANT** | 1. Proactive recruitment campaign for Palliative Care Consultant without responsibility as Medical Director. |

## SENIOR MANAGEMENT TEAM REMUNERATION

The Board of Trustees is responsible for setting remuneration levels for the charity's senior staff. Our key objective is to ensure that pay is fair, competitive, and aligned with our need to attract and retain skilled individuals capable of leading, managing, and delivering the charity's objectives effectively.

In determining remuneration for the Senior Management Team, the Board considers the following factors:

- The charity's mission, values, and the needs of our beneficiaries.
- The impact of senior pay on the wider organisational pay structure.
- The skills, experience, and responsibilities required in senior roles, and how these relate to appropriate pay levels.
- The strategic plan and how it may affect the size, scope, or nature of senior leadership roles.
- The financial position of the charity, including the affordability and sustainability of pay decisions.
- Performance of both the charity and the Senior Management Team, in the short and long term.

- Benchmarking data from relevant sources, for example the *Association of Chief Executives of Voluntary Organisations* (ACEVO), the *National Council for Voluntary Organisations* (NCVO), peer hospices, other charities, and the private sector.

In line with the *Statement of Recommended Practice (SORP)*, North Devon Hospice discloses, within our audited and published annual accounts, the number of employees earning over £60,000.

Following an organisation-wide pay benchmarking review, we implemented a new spot salary model under our revised Pay Framework. The Senior Management Team's remuneration was included in this process. Performance reviews are conducted quarterly for the Senior Management Team, against clear objectives.

As a result, the Board of Trustees is confident that senior pay at North Devon Hospice is fair, transparent, robust, and aligned with our values and obligations.

# ANNUAL FINANCIAL REPORT

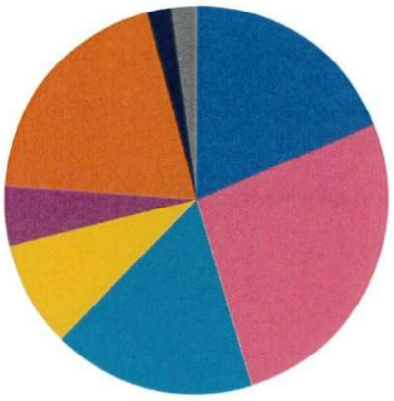
- We manage our finances with a forward-looking approach to ensure we can continue to deliver exceptional care and support to our patients and their families - both now and in the future. We monitor our performance against an annual budget and rolling forecasts, and maintain a strategic financial plan that spans five years, enabling us to make sustainable decisions today that safeguard our services tomorrow.

- The financial results can be found in the Consolidated Statement of Financial Activities on page 43 of the report.

**Overview of the Year**

- This financial year, we recorded an operational deficit of £544k (2023/24: £109k deficit). In addition, a negative investment revaluation of £41k (2023/24: £437k gain) resulted in a total reduction in reserves of £585k. Our total reserves now stand at £13.3 million (2023/24: £13.9 million)
- Our income fell by 1%, while expenditure rose by 5%, reflecting increased demand for our services and ongoing cost pressures. Total expenditure reached £7.53 million (2023/24: £7.18 million)
- Despite these financial challenges, we have continued to invest in and adapt our services. Trustees remain confident in our financial position as a going concern and believe that our risk-based and designated reserves are sufficient to support the delivery of our current and future strategic objectives
- All our services are provided free of charge to individuals with progressive life-limiting illnesses, as well as to their families and carers. During the year, we supported 2,005 people across North Devon (2023/24: 1,971). While we receive

some funding from the NHS, we rely on raising over £5.5 million annually from our community and supporters to fund our work.



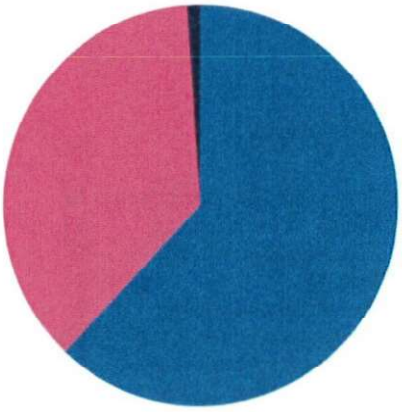
**INCOME**

| | % |
|---|---|
| Fundraising & Donations | 19 |
| Retail | 27 |
| Legacies & In Mem | 17 |
| Lottery | 9 |
| Investments & Other | 5 |
| Integrated Care Board | 20 |
| Continuing Healthcare | 2 |
| DHSC Capital Grant | 2 |

Total Income £6,989,912

## Income

- Total income for the year was £6.99 million, a decrease of £80k from the previous year (2023/24: £7.07 million). Although some income streams grew, others declined:
- In Memoriam and Legacy Income: Combined income was £1.2 million (2023/24: £1.7 million). In Memoriam donations declined by £179k due to an exceptionally high one-off donation of £100k received in the previous year. Legacy income decreased by £329k but still exceeded our conservative budget forecast of £850k, highlighting the unpredictable nature of this funding source
- Retail Income: Retail income grew significantly to £1.89 million, an increase of 13% year-on-year, outperforming national trends. This growth reflects the success of our strategic efforts to expand and optimise our retail operations
- Lottery Income: Income from our lottery remained stable at £620k (2023/24: £621k), despite increased attrition due to the challenging economic climate
- Fundraising and Donations: Fundraising events and individual donations remained strong. Notably, our Valentine's Day Cuddle Bed Appeal exceeded expectations, raising £84k against a target of £30k. Corporate donations also remained robust as did fundraising events
- NHS Funding: Our annual grant from NHS Devon increased by £102k to £1.36 million. This funding supports our Bedded Unit and Community Nurse Specialist teams. No additional funding was received for the Hospice to Home team, which continues to be funded in part from Continuing Healthcare (CHC) monies £106k this year (2023/24: £98k). The remaining £605k had to be funded from our reserves. The total cost of running Hospice to Home was £711k this year
- Capital Grant: In March 2025, we received £106k from the government as part of a new capital funding initiative for hospices.



**EXPENDITURE** %

| | |
|---|---|
| Service delivery Clinical and Supportive care | 62 |
| Cost of raising funds | 36 |
| Education | 2 |

Total Expenditure £7,533,947

**Expenditure**

- Total expenditure increased to £7.53 million (2023/24: £7.18 million), including £96k from restricted income where donors specified the use of funds
- Cost of Raising Funds: Costs rose to £2.7 million (2023/24: £2.6 million), reflecting increased fundraising and retail activity. Despite higher operational costs, our retail profit grew by 29%, reaching £284k (2023/24: £220k)
- Charitable Activities: Expenditure on care rose to £4.8 million (2023/24: £4.5 million), reflecting our continued commitment to delivering high-quality, person-centred care. This increase is driven by a number of factors, most notably the growing complexity of patient needs. We are seeing a steady rise in the acuity of those accessing our services, with more patients requiring intensive clinical support, specialist symptom management, and holistic care - both in our inpatient unit and across community settings

  To meet this demand, we have continued to invest in highly trained specialist nursing staff and multi-disciplinary team members. This has resulted in a higher staff to patient ratio, ensuring that our patients receive the level of care and attention they require, while also supporting their families and carers during incredibly difficult times

  We are experiencing sector-wide cost pressures. Employment-related costs have increased due to inflation, and rises in the National Living Wage. These changes have had a knock-on effect across our pay structures. Alongside this, supplier price inflation continues to impact essential goods and services - ranging from medical supplies and food to utility costs

  Despite these financial challenges, we maintained a strong focus on efficiency, service quality, and patient outcomes. Our teams continually review operational processes and embrace innovation where possible to ensure resources are used effectively

  This year, we supported 2,005 individuals (2023/24: 1,971)
- Capital expenditure totalled £309k this year. A major portion of this investment was dedicated to the refurbishment of the Diana Wing, the dedicated space where we deliver our supportive care services. This includes counselling, complementary therapies, group work, and one-to-one emotional support. The refurbishment focused on creating a warm, welcoming, and flexible environment tailored to

therapeutic work. Upgrades included modernised treatment rooms, and enhanced comfort for service users

We constructed a new maintenance workshop to replace the old wooden shed. The new workshop ensures that our facilities team can work safely and efficiently in supporting the day-to-day operations of the hospice. We also installed a dedicated walk-in freezer and food storage area, significantly improving the catering team's ability to manage food safely and increase their offering.

- The charity has a wholly owned trading subsidiary called NDH Ventures Ltd. The trading activities of this company are the hospice lottery and the sale of bought in goods through our shops. The profit for this company of £418k is gifted to the charity (2023/24: £450k).

**Investments and Reserves Policy**

- The hospice has a policy which seeks to ensure that, not only are investments made ethically, but that the investment strategy precludes investing in any company whose principal activities have an adverse impact on the underlying beneficiaries of the hospice
- Key exclusions include companies involved in:
    - The manufacture or sale of weapons, including landmines, cluster bombs, weapons of mass destruction, and chemical weapons or equivalents
    - The production or sale of tobacco or alcohol products where these account for more than 10% of total turnover
    - Activities that show no evidence of response to credible allegations of significant harm to biodiversity (covering high and medium risk ecological concerns)
    - Breaches of discharge consents for Red List substances within the past three years
    - Lack of response to allegations of violations of core International Labour Organisation (ILO) standards, particularly in relation to child or forced labour within the organisation or its supply chain
    - Deriving more than 10% of turnover from the extraction of thermal coal, tar sands, or oil shale
- Investments that no longer meet these ethical criteria are reviewed and, if necessary, divested within the shortest reasonable timeframe
- The hospice's investment portfolio is managed by Newton Investment Management, whose mandate is to achieve a balanced return from both income and long-term capital growth
- At the start of the financial year, the portfolio was valued at £7.71 million (2023/24: £7.34 million). Over the year, the portfolio experienced a negative revaluation of £40k ending the year at £7.67 million (2023/24: £7.8 million). This decrease has impacted our reserves, specifically the designated reserve established to absorb such losses, as detailed further below
- In addition to the investment portfolio, we maintain cash holdings to support operational liquidity. At year-end, total cash held across current and deposit accounts was £1.48 million (2023/24: £1.47 million)

- The Finance and HR Committee measures the performance of our portfolios against various benchmarks. Quarterly reports are received from our brokers and the Board of Trustees meet with them annually.
- The Trustees regularly review the charity's reserves policy to ensure that the organisation maintains an appropriate level of financial resilience to deliver its charitable objectives sustainably, both now and in the future. In doing so, the Trustees take into account the nature of the charity's income and expenditure, the need to protect ongoing service provision, investment in future development, and the potential impact of external risks. Specifically in setting the level of reserves the following steps are taken:

### 1. Identifying any reserves which are restricted

Restricted reserves represent funds given to the charity for specific purposes, which must be spent in accordance with the donors' intentions. These restrictions may be imposed by donors, funders, or the conditions of a fundraising appeal. The Trustees ensure that restricted funds are monitored and used strictly for their intended purposes.

### 2. Identifying functional assets

The Trustees consider the fixed assets to be essential to the delivery of the charity's aims therefore the cost of such assets can be designated and excluded from the calculation of reserves.

### 3. Understanding the impact of risk

When setting the level of reserves the Trustees look at the risks and uncertainties facing the charity. This is done by reviewing the top risks to the organisation and attributing a value to them. In doing this the Trustees consider the different types of income stream, any vulnerability around sudden or unforeseen decline in a particular income source. Furthermore, they consider the agreement in place for NHS funding and whether income is likely to be affected by the general economic situation, as well as the strength in relationship between the hospice, its donors and financial supporters. It then looks at its cost base and considers what risks there are to increased costs in working, for example is there a skills shortage in a particular area or will changes in demographic put a greater burden on services, what are the changing needs of our beneficiaries, and are we meeting demand.

The Trustees felt it prudent to leave the risk reserve at the same value this year of £2.952 million.

### Restricted reserves

As at 31 March 2025, the charity held £89k in restricted reserves (2023/24: £30k). These reserves are categorised as follows:

- Patient Services (£70k): These funds (2023/24: £6k) are restricted for use in enhancing services provided directly to patients, in accordance with donor wishes

- Education (£0k): In 2023/24 £19k was held specifically for clinical education and staff training, to support the continued development and competency of our healthcare teams. These funds have now been utilised
- Capital Projects (£19k): These funds (2023/24: £4k) are restricted for capital expenditure, primarily improvements to patient facilities and infrastructure aligned with donor expectations.

**Designated Reserves**

- Designated reserves are unrestricted funds that the Trustees have allocated to specific purposes to support the charity's strategic plans and ensure financial stability. These funds are reviewed annually to ensure they remain aligned with operational and strategic priorities

- Building and Assets – the charity owns a number of fixed assets essential to the delivery of care and services. As such, the Trustees have designated funds equal to the net book value of these assets. These funds are not freely available for spending unless the assets are sold. During the year, this fund increased by £47k (2023/24: decrease £212k) reflecting the net effect of asset purchases and annual depreciation

- Investment Reserve – the charity holds £7.67million (2023/24 £7.71 million) in investments to generate long-term returns. This reserve represents the unrealised gains on those investments. At year-end, the reserve stood at £2.14 million (2023/24: £2.18 million), a decrease of £41k from the previous year (2023/24: increase of £437k)

- Risk Based Reserve – In line with good governance, the Trustees annually assess the financial impact of risks to income and expenditure. This includes reviewing potential reductions in NHS funding, economic pressures, changes in donor behaviour, and rising service delivery costs. The reserve is maintained to enable the charity to respond effectively to unexpected financial crisis. Having increased the reserve in 2023/24 to £2.952 million the Trustees consider this an appropriate amount so this remains unchanged

- Income Diversification – this reserve is no longer needed as the intended projects are no longer being pursued. The funds set aside in 2023/24 of £600k have now been reallocated and absorbed into other designated reserves to support strategic priorities more effectively

- Hospice to Home – This reserve supports the continuation of the Hospice to Home service, which provides hands on nursing care to patients in their own homes. This reserve was established to ensure the continuity of the service while the Trustees work with the

Integrated Care Board (ICB) to identify a long-term funding solution. During the year, £429k was used to support service delivery (2023/24: £422k), leaving a remaining balance of £474k. Based on current expenditure levels, this reserve will fund the service for approximately one more year. The Trustees recognise that without securing further funding, the sustainability of this highly valued service beyond that period is uncertain

- Service Provision and Organisational Development - This designated reserve supports the delivery of our strategic priorities by enabling investment in service development and organisational resilience. The focus is on enhancing support for patients and their families, equipping staff to meet evolving care demands, and ensuring the charity remains a sustainable and supportive place to work. During the year, £809k was expended from the reserves being the cumulative effect of our pay model over the last 4 years, ensuring that no member of staff is paid more than 5% below the market median for their role. This is a key element in our strategy to attract, retain, and reward the skilled workforce essential to delivering high-quality care. An additional £83k was invested in our Nurse Associate Programme, supporting workforce development and training. A further £309k was allocated to capital projects aligned with our strategic goals. To support the ongoing delivery of our strategy, £1.4 million was added to the reserve during the year. The closing balance stands at £3.2 million (2023/24: £3.0 million). This funding will continue to support service improvement initiatives and ensure we remain responsive to the changing needs of our patients and their families

- Digital Development and Innovations - This reserve has been established to support the charity's ongoing investment in digital transformation and innovation. It is used to develop and implement digital tools and systems that enhance patient care, improve internal processes, enable remote working, and strengthen communication and data management across the organisation. During the year, £48k was spent (2023/24: £14k) on advancing digital capabilities to support more agile and effective working practices. To ensure continued progress in this area, £125k was added to the reserve, bringing the year-end balance to £418k. These funds will enable the charity to remain forward-thinking, adaptable, and technologically equipped to meet the evolving needs of those we support

- General unrestricted and undesignated funds totalled £638k at year-end (2023/24: £575k).These funds are not earmarked for specific purposes and are available to support the day-to-day operational needs of the charity. They provide essential flexibility, enabling the organisation to respond to emerging priorities, manage cash flow, and maintain financial stability in the face of unforeseen challenges.

## Statement as to disclosure of information to auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charity's auditors are unaware; and,
- 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 auditors are aware of that information.

## Statement of Trustees Responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and 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 charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

On behalf of the board,



**Zara Svensson**
Chair of Trustees
17/7/25

## 2. NORTH DEVON HOSPICE INFORMATION

| | |
|---|---|
| **Status:** The Charity's governing document is its Articles of Association | |
| **Charity number** | 286554 |
| **Company registration number** | 1696150 |
| **Registered office** | North Devon Hospice<br>Deer Park Road<br>Newport<br>Barnstaple<br>Devon<br>EX32 0HU |
| **The Board of Trustees** | Sharon Bates: Treasurer<br>Rachel Dafforn, Treasurer<br>Glenys Gray<br>Helen Keddie<br>Rachel Loosemore - resigned June 2024<br>Lisa McCormack<br>Zara Svensson: Chair<br>Kevin Underwood - resigned October 2024<br>Jennifer Wilmott<br>Rob Withecombe<br>Andrew Mackenzie-Shapland<br>Rob Barrow<br>Rachel Withecombe<br>Andrew Turner - appointed March 2025<br>Caroline Sparke - appointed March 2025<br>Pauline Bromell - appointed March 2025<br>Karen Cox - appointed December 2024 |
| **Chief Executive & Secretary** | Stephen Roberts |
| **Senior Management** | Josephine Dedes, Director of Care<br>Samantha Husband, Director of Finance<br>Catherine Oliver, Director of People and Organisational Development |
| **Auditors** | PKF Francis Clark<br>Centenary House, Peninsula Park<br>Rydon Lane<br>Exeter EX2 7XE |
| **Bankers** | National Westminster Bank<br>41 High Street<br>Barnstaple<br>Devon<br>EX31 1DH |

| | |
|---|---|
| **Solicitors** | Tozers LLP<br>Broadwalk House<br>Southernhay West<br>Exeter<br>EX1 1UA |
| **Pension advisors** | AFH Group<br>AFH House<br>Buntsford Drive<br>Stoke Heath<br>Bromsgrove<br>Worcestershire<br>B60 4JE |
| **Stockbrokers** | Newton Investment Management<br>160 Queen Victoria Street<br>London<br>EC4V 4LA |
| **Life President** | Countess of Arran CVO MBE VLL |
| **Vice Presidents** | John Brend<br>Geoffrey Cox QC<br>Gavyn Davies OBE<br>Sir Nick Harvey<br>Philip Jewell<br>Ron Ley MBE<br>David Morgan<br>Mark Parkhouse DL<br>John Riley<br>The Hon. John Rous DL<br>Lady Stucley<br>David Whitely |

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

## Opinion

We have audited the financial statements of North Devon Hospice (the 'Charitable Company') for the year ended 31 March 2025, which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement, 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 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 and Charitable Company's affairs as at 31 March 2025 and of the Group's incoming resources and application of resources, including 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 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 the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate and that the Trustees have disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the 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.

### Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the strategic report.

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 35, the Trustees 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 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Group. We gained an understanding of the sector in which the Group operates as part of this assessment to identify the key laws and regulations affecting the Group. The regulatory environment was discussed with the relevant individuals responsible for compliance and the Group's website was reviewed for indication of any regulations and certification in place. The key regulations we identified were health and safety regulations, CQC regulations and The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities: Statement of Recommended Practice (SORP).

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Group's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of up to date correspondence with the CQC, CQC website and last inspection report to identify any non-compliance.
- Review of the group's GDPR policy and enquiries to the Data Protection Officer as to the occurrence and outcome of any reportable breaches, confirmed through review of the ICO website.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to cash income and expenditure, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud, of which there were none. Based upon our understanding we designed and conducted audit procedures including:

- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the 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. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate omissions, collusion, forgery, misrepresentations, or the override of internal controls. We are also less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

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

### Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

**Neil Hitchings FCA (Senior Statutory Auditor)**
**PKF FRANCIS CLARK**
Chartered Accountants and Statutory Auditor
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date: 23/7/15

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Consolidated Statement of Financial Activities
## Including Consolidated Income and Expenditure Account
## For the Year Ended 31 March 2025

| | Note | Unrestricted Funds 2025 £ | Restricted Funds 2025 £ | Total Funds 2025 £ | Unrestricted Funds 2024 £ | Restricted Funds 2024 £ | Total Funds 2024 £ |
|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | |
| Legacies & In Memoriam Donations | | 1,122,421 | 97,200 | 1,219,621 | 1,724,911 | 3,478 | 1,728,389 |
| Fundraising & Donations | | 1,169,037 | 55,413 | 1,224,450 | 988,593 | 34,193 | 1,022,786 |
| Gifts in Kind | | 82,678 | - | 82,678 | 175,710 | - | 175,710 |
| Charitable activities | | | | | | | |
| Income from supporting Direct Patient Care | | 1,515,635 | - | 1,515,635 | 1,501,201 | - | 1,501,201 |
| Educational Services | | 6,012 | 21,430 | 27,442 | 4,879 | 23,063 | 27,942 |
| Other trading activities | | 2,508,370 | - | 2,508,370 | 2,296,916 | - | 2,296,916 |
| Investments | | 236,774 | - | 236,774 | 237,273 | - | 237,273 |
| Other | | 68,409 | 106,533 | 174,942 | 79,896 | - | 79,896 |
| **TOTAL INCOME** | 3 – 7 | 6,709,336 | 280,576 | 6,989,912 | 7,009,379 | 60,734 | 7,070,113 |
| **EXPENDITURE** | | | | | | | |
| Raising funds | | 2,730,150 | - | 2,730,150 | 2,645,543 | - | 2,645,543 |
| Charitable activities | | | | | | | |
| Supportive Care | | 615,410 | 6,669 | 622,079 | 578,896 | 7,698 | 586,594 |
| Hospice to Home | | 711,400 | - | 711,400 | 652,215 | 18,000 | 670,215 |
| Community | | 777,148 | 20,250 | 797,398 | 741,509 | 1,000 | 742,509 |
| In Patient Unit | | 2,509,811 | 48,556 | 2,558,367 | 2,422,704 | 5,358 | 2,428,062 |
| Education | | 94,335 | 20,218 | 114,553 | 91,260 | 15,696 | 106,956 |
| **TOTAL EXPENDITURE** | 8 | 7,438,254 | 95,693 | 7,533,947 | 7,132,127 | 47,752 | 7,179,879 |
| **NET INCOME / (EXPENDITURE) BEFORE NET GAINS/ (LOSSES) ON INVESTMENTS** | | (728,918) | 184,883 | (544,035) | (122,748) | 12,982 | (109,766) |
| **Net gains / (losses) on investments** | | (40,485) | - | (40,485) | 436,518 | - | 436,518 |
| **NET INCOME / (EXPENDITURE) FOR THE YEAR** | | (769,403) | 184,883 | (584,520) | 313,770 | 12,982 | 326,752 |
| Transfers between funds | 27 | 125,459 | (125,459) | - | 20,143 | (20,143) | - |
| **NET MOVEMENTS IN FUNDS** | | (643,944) | 59,424 | (584,520) | 333,913 | (7,161) | 326,752 |
| **RECONCILIATION OF FUNDS** | | | | | | | |
| **FUNDS BROUGHT FORWARD** | 27 | 13,829,001 | 29,930 | 13,858,931 | 13,495,088 | 37,091 | 13,532,179 |
| **FUNDS CARRIED FORWARD** | 27 | 13,185,057 | 89,354 | 13,274,411 | 13,829,001 | 29,930 | 13,858,931 |

The notes on pages 46 to 65 form an integral part of these financial statements

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Consolidated and Charity Balance Sheet
## For the Year Ended 31 March 2025

| | Note | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 15 | - | 2,012 | - | 2,012 |
| Tangible assets | 16 | 3,320,237 | 3,271,075 | 3,302,356 | 3,271,075 |
| Investments | 19 | 7,671,367 | 7,711,853 | 7,756,941 | 7,797,427 |
| | | 10,991,604 | 10,984,940 | 11,059,297 | 11,070,514 |
| **CURRENT ASSETS** | | | | | |
| Stock | 20 | 12,006 | 9,152 | - | - |
| Debtors | 21 | 1,365,750 | 1,892,934 | 1,342,438 | 1,883,547 |
| Cash at bank and in hand | 22 | 1,483,508 | 1,473,646 | 1,470,958 | 1,464,106 |
| | | 2,861,264 | 3,375,732 | 2,813,396 | 3,347,653 |
| **LIABILITIES** | | | | | |
| Creditors: Amounts falling due within one year | 23 | (575,936) | (499,220) | (596,418) | (557,372) |
| **NET CURRENT ASSETS** | | 2,285,328 | 2,876,512 | 2,216,978 | 2,790,281 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 13,276,932 | 13,861,452 | 13,276,275 | 13,860,795 |
| **PROVISIONS** | 25 | 2,521 | 2,521 | - | - |
| **NET ASSETS** | | 13,274,411 | 13,858,931 | 13,276,275 | 13,860,795 |
| **FUNDS** | | | | | |
| **Unrestricted Funds** | | | | | |
| General funds | 27 | 638,189 | 574,693 | 640,053 | 576,557 |
| Investment revaluation reserve | 27 | 2,144,214 | 2,184,699 | 2,144,214 | 2,184,699 |
| Designated funds | 27 | 10,402,654 | 11,069,609 | 10,402,654 | 11,069,609 |
| | | 13,185,057 | 13,829,001 | 13,186,921 | 13,830,865 |
| **Restricted Funds** | 27 | 89,354 | 29,930 | 89,354 | 29,930 |
| **TOTAL FUNDS** | | 13,274,411 | 13,858,931 | 13,276,275 | 13,860,795 |

The result of the charity for the year ended 31 March 2025 was deficit of £584,520.

The financial statements were approved by the Trustees on 17/7/25 and signed on their behalf by:

.....
Mrs. Zara Svensson
Chair of Trustees

Company Registration Number: 1696150

The notes on pages 46 to 65 form an integral part of these financial statements.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Consolidated Statement of Cash Flows
## For the Year Ended 31 March 2025

| | Note | 2025<br>£ | 2024<br>£ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net income/(expenditure) for the year | | (584,520) | 326,752 |
| **Adjustments to cash flows from non-cash items** | | | |
| Depreciation charge | 9 | 259,878 | 263,232 |
| Amortisation charge | 9 | 2,012 | 6,995 |
| (Gains)/loss on investments | | 40,485 | (436,518) |
| Dividends and interest from investments | | (236,774) | (237,273) |
| Loss/(profit) on the disposal of fixed assets | 9 | 207 | (6,893) |
| | | **(518,712)** | (83,705) |
| **Working capital adjustments** | | | |
| (Increase)/decrease in stock | 20 | (2,854) | (632) |
| (Increase)/Decrease in debtors | 21 | 527,184 | (491,422) |
| Increase/(decrease) in creditors | 23 | 76,716 | (61,571) |
| **Net cash flows from operating activities** | | 82,334 | (637,330) |
| **Cash flows from investing activities** | | | |
| Dividends and Interest from investments | | 236,774 | 237,273 |
| Payments to acquire intangible fixed assets | | - | - |
| Payments to acquire tangible fixed assets | | (309,273) | (58,774) |
| Proceeds from sale of investments | | - | - |
| Proceeds from sale of fixed assets | | 27 | 7,751 |
| Payments into investments | | - | - |
| **Net cash flows from investing activities** | | (72,472) | 186,250 |
| **Net increase /(decrease) in cash and cash equivalents** | | 9,862 | (451,080) |
| **Cash and cash equivalents at 1 April** | 22 | 1,473,646 | 1,924,726 |
| **Cash and cash equivalents at 31 March** | 22 | **1,483,508** | 1,473,646 |

The notes on pages 46 to 65 form an integral part of these financial statements.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2025**

## 1. Company status

The company is a registered charity and a company limited by guarantee incorporated in England and Wales, without share capital. The address of the registered office, and main trading address, is North Devon Hospice, Deer Park Road, Newport, Barnstaple, Devon, EX32 0HU. The guarantors are the members to the extent of £1 each. There were 38 (2024: 38) members at the balance sheet date.

## 2. Accounting policies

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

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

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

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

The accounts are presented in Sterling which is also the functional currency of the group.

### Group financial statements

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary, NDH Ventures Ltd., 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 section 408 of the Companies Act 2006.

### Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the group 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified by the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent assets and disclosed if material.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2025**

## 2. Accounting policies *(continued)*

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

### Donations of gifts, services and facilities

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

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

### Interest receivable

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

### Fund accounting

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

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 27.

### 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 relates to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services to our patients and their families as well as educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2025**

## 2. Accounting policies *(continued)*

### Allocation of support costs

Resources expended are allocated to the particular charitable activity where the cost relates directly to that activity. However, other support costs not directly related are 100% allocated to charitable activities based on a combination of headcount, space and discrete charges.

### Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

### Intangible fixed assets and amortisation

Intangible fixed assets, consisting of software, are capitalised at purchase cost and amortised over their useful economic lives. Amortisation costs are allocated to activities on which the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate that their carrying value may exceed their realisable value and value in use.

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

| | |
|---|---|
| Software | 5 years |

### Tangible fixed assets and depreciation

Individual items purchased below £500 are not normally considered as capital expense unless its useful life is greater than 4 years. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their realisable value and value in use.

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

| | |
|---|---|
| Freehold land | Not depreciated |
| Freehold building | 50 years straight line |
| Leasehold property improvements | 5-20 years straight line |
| Fixtures and fittings | 5 years straight line |
| Computer equipment | 5 years straight line |
| Motor vehicles | 5 years straight line |

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2025**

## 2. Accounting policies *(continued)*

### Listed investments

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

The historic cost of investments is calculated on a FIFO basis.

### Investments in subsidiaries

Investments in subsidiaries are initially recorded at cost.

### Stock

Stock is stated at the lower of cost and net realisable value. In general, cost is determined on a 'first in, first out' basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are not valued as the charity would not otherwise have bought them.

### Cash at bank and in hand

Cash at bank and 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 the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

### Pension costs

The group operates a defined contribution pension scheme and contributes into two defined benefit pension schemes. Contributions into the defined contribution scheme are recognised in the statement of financial activities in the period in which they become payable in accordance with the rules of the scheme. Defined benefit pension funds have been accounted for as defined contribution schemes since these are a state plan and a multi-employer scheme, and the group is unable to identify its share of the underlying assets or liabilities of these funds.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2025**

## 2. Accounting policies *(continued)*

### Financial instruments

The group only has financial assets and financial liabilities that qualify as basic financial instruments, being investments, trade debtors and trade creditors. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value. Any losses arising from impairment ('doubtful debts') are recognised in the statement of financial activities.

### Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the Trustees have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provision is made against specific trade debtors where recoverability is considered doubtful.

Legacy income which is recognisable under the income recognition policy, but has not yet been received, is provided for as accrued income until paid. The accrued income is provided at the level estimated within Probate documentation, less low level provisions for solicitor costs etc.

Key management personnel for the purposes of disclosure are considered to be the Trustees and senior management team. The Trustees are not remunerated.

The Trustees are satisfied, having considered the current financial position and performance of the charity, that the going concern assessment (which is a critical accounting judgement) remains appropriate. In making this assessment, the Trustees have sensitised their financial forecasts and cash flow projections for the next 12 months (from the date of approval of these financial statements) to take account of reasonably possible changes in funding and income levels, inflationary pressures and increases in utilities, in order to determine when, and to what extent any cost management measures may need to be implemented.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2025

### 3. Income from donations, gifts and legacies

| | Unrestricted £ | Restricted £ | 2025 £ | 2024 £ |
|---|---|---|---|---|
| Legacies & In Memoriam Donations | 1,122,421 | 97,200 | 1,219,621 | 1,728,389 |
| Fundraising & Donations | 1,169,037 | 55,413 | 1,224,450 | 1,022,786 |
| Gifts in Kind | 82,678 | - | 82,678 | 175,710 |
| | 2,374,136 | 152,613 | 2,526,749 | 2,926,885 |

Income from donations, gifts and legacies is £2,526,749 (2024: £2,926,885) of which £2,374,136 (2024: ££2,889,214) is unrestricted and £152,613 (2024: £37,671) is restricted.

### 4. Income from charitable activities

| | Unrestricted £ | Restricted £ | 2025 £ | 2024 £ |
|---|---|---|---|---|
| ICB Grant | 1,368,373 | - | 1,368,373 | 1,360,327 |
| CHC Funding | 106,452 | - | 106,452 | 98,224 |
| Consultant Support | 40,810 | - | 40,810 | 42,650 |
| Sub-total for Income supporting Direct Patient Care | 1,515,635 | - | 1,515,635 | 1,501,201 |
| Educational Training | 6,012 | 21,430 | 27,442 | 27,942 |
| Total income from charitable activities | 1,521,647 | 21,430 | 1,543,077 | 1,529,143 |

Income from charitable activities is £1,543,077 (2024: £1,529,143) of which £1,521,647 (2024: £1,506,080) is unrestricted and £21,430 (2024: £23,063) is restricted.

### 5. Income from other trading activities

| | Unrestricted £ | Restricted £ | 2025 £ | 2024 £ |
|---|---|---|---|---|
| Shops & Monopoly | 1,888,523 | - | 1,888,523 | 1,675,621 |
| Lottery | 619,847 | - | 619,847 | 621,295 |
| Business Grants | - | - | - | - |
| | 2,508,370 | - | 2,508,370 | 2,296,916 |

Income from other trading activities is £2,508,370 (2024: £2,296,916) of which £2,508,370 (2024: £2,296,916) is unrestricted and £nil (2024: £nil) is restricted.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2025

### 6. Income from investments

| | Unrestricted £ | Restricted £ | 2025 £ | 2024 £ |
|---|---|---|---|---|
| Dividends | 202,237 | - | 202,237 | 199,550 |
| Deposit Interest | 34,537 | - | 34,537 | 37,723 |
| | 236,774 | - | 236,774 | 237,273 |

Income from investments is £236,774 (2024: £237,273) of which £236,774 (2024: £237,273) is unrestricted and £nil (2024: £nil) is restricted.

### 7. Other Income

| | Unrestricted £ | Restricted £ | 2025 £ | 2024 £ |
|---|---|---|---|---|
| Disposal of Assets | (206) | - | (206) | 6,893 |
| DHSC Capital Grant | - | 106,533 | 106,533 | - |
| Other | 68,615 | - | 68,615 | 73,003 |
| | 68,409 | 106,533 | 174,942 | 79,896 |

Income from investments is £174,942 (2024: £79,896) of which £68,409 (2024: £79,896) is unrestricted and £106,533 (2024: £nil) is restricted.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2025**

## 8. Analysis of expenditure

| | Cost of raising funds £ | Supportive care £ | Hospice to Home £ | Community £ | In Patient Unit £ | Education £ | Governance costs £ | Support costs £ | 2025 Total £ | 2024 Total £ |
|---|---|---|---|---|---|---|---|---|---|---|
| Staff costs | 1,354,026 | 355,170 | 500,475 | 565,390 | 1,461,883 | 62,399 | - | 1,041,245 | 5,340,588 | 5,092,710 |
| In Patient Unit | - | - | - | - | 279,105 | - | - | - | 279,105 | 237,881 |
| Community | - | - | - | 31,388 | - | - | - | - | 31,388 | 31,335 |
| Supportive Care | - | 54,069 | - | - | - | - | - | - | 54,069 | 51,447 |
| Education | - | - | - | - | - | 10,763 | - | - | 10,763 | 8,240 |
| Hospice to home | - | - | 43,365 | - | - | - | - | - | 43,365 | 43,381 |
| Fundraising Activities | 250,095 | - | - | - | - | - | - | - | 250,095 | 241,524 |
| Shops | 567,121 | - | - | - | - | - | - | - | 567,121 | 495,559 |
| Lottery & Sheppard's | 184,336 | - | - | - | - | - | - | - | 184,336 | 141,566 |
| Facilities & Premises | - | - | - | - | - | - | - | 152,739 | 152,739 | 154,251 |
| Catering | - | - | - | - | - | - | - | 44,309 | 44,309 | 41,687 |
| House Keeping | - | - | - | - | - | - | - | 16,286 | 16,286 | 14,984 |
| Finance & IT | - | - | - | - | - | - | 17,747 | 95,940 | 113,687 | 122,828 |
| Administration | - | - | - | - | - | - | 9,224 | 38,942 | 48,166 | 52,649 |
| Communication | - | - | - | - | - | - | 9,570 | 77,301 | 86,871 | 141,946 |
| Human Resource | - | - | - | - | - | - | - | 49,168 | 49,168 | 37,664 |
| Depreciation | 15,220 | - | - | - | - | - | - | 246,671 | 261,891 | 270,227 |
| | 2,370,798 | 409,239 | 543,840 | 596,778 | 1,740,988 | 73,162 | 36,541 | 1,762,601 | 7,533,947 | 7,179,879 |
| Support Costs | 357,770 | 203,300 | 157,660 | 194,467 | 810,138 | 39,266 | - | (1,762,601) | - | - |
| Governance costs | 1,582 | 9,540 | 9,900 | 6,153 | 7,241 | 2,125 | (36,541) | - | - | - |
| **Total expenditure** | 2,730,150 | 622,079 | 711,400 | 797,398 | 2,558,367 | 114,553 | - | - | 7,533,947 | 7,179,879 |
| Total expenditure 2024 | 2,645,543 | 586,594 | 670,215 | 742,509 | 2,428,062 | 106,956 | - | - | 7,179,879 | - |

Of the total expenditure, £7,440,949 was unrestricted (2024: £7,132,751) and £95,693 was restricted (2024: £47,552).

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2025

### 9. Net incoming resources for the year

This is stated after charging / crediting:

| | 2025 £ | 2024 £ |
|---|---|---|
| Amortisation | 2,012 | 6,995 |
| Depreciation | 259,878 | 263,232 |
| Loss/(profit) on disposal of fixed assets | 207 | (6,893) |
| Operating lease rentals: | | |
| Property | 235,551 | 210,404 |
| Other | 43,783 | 36,776 |

### 10. Auditor's remuneration

| | 2025 £ | 2024 £ |
|---|---|---|
| The analysis of auditor's remuneration is as follows: | | |
| Audit fees | 17,075 | 15,484 |
| Accountancy services | - | - |
| Tax compliance services | 2,023 | 866 |
| | 19,098 | 16,350 |

### 11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

| | 2025 £ | 2024 £ |
|---|---|---|
| Salaries and wages | 4,620,748 | 4,410,700 |
| Employer's National Insurance | 413,751 | 389,910 |
| Employer's contribution to defined contribution pension schemes | 306,089 | 292,100 |
| | 5,340,588 | 5,092,710 |

The following number of employees received employee benefits (excluding pension costs) during the year between:

| | 2025 | 2024 |
|---|---|---|
| £60,000 - £69,999 | 0 | 1 |
| £70,000 - £79,999 | 2 | 3 |
| £80,000 - £89,999 | 2 | 0 |
| Over £90,000 | 1 | 1 |

The total employee benefits including pension contributions of the key management personnel were £357,756 (2024: £337,618).

The charity Trustees were not paid, or received any other benefits, from employment with the charity in the year (2024: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2024: £nil).

Trustees' expenses were £307 in the current and £nil in the prior year.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2025

### 12. Staff numbers

The average number of employees was:

| | Average 2025 No. | FTE 2025 No. | Average 2024 No. | FTE 2024 No. |
|---|---|---|---|---|
| Fundraising Activities | 57 | 41 | 53 | 40 |
| Direct Care | 86 | 59 | 85 | 60 |
| Education | 3 | 1 | 3 | 1 |
| NDH Ventures | 1 | 1 | 1 | 1 |
| Support | 47 | 34 | 45 | 35 |
| | 194 | 136 | 187 | 137 |

### 13. Related party transactions

There are no related party transactions to disclose for 2025 (2024: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

### 14. Taxation status

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 11 Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The charity's trading subsidiary NDH Ventures Limited gift aids available profits to the parent charity. Its charge to corporation and deferred tax in the year was £nil (2024: £nil).

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2025

### 15. Intangible fixed assets

**Group and company**

| | Software £ | Total £ |
|---|---|---|
| **Cost** | | |
| As at 1 April 2024 | 174,694 | 174,694 |
| Disposals | (2,072) | (2,072) |
| As at 31 March 2025 | 172,622 | 172,622 |
| **Depreciation** | | |
| As at 1 April 2024 | 172,682 | 172,682 |
| Charge for the Year | 2,012 | 2,012 |
| Disposals | (2,072) | (2,073) |
| As at 31 March 2025 | 172,622 | 172,622 |
| **Net book value** | | |
| As at 31 March 2025 | - | - |
| As at 31 March 2024 | 2,012 | 2,012 |

### 16. Tangible fixed assets

| Group | Land & Buildings £ | Fixtures and fittings £ | Computer equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As at 1 April 2024 | 4,451,099 | 1,034,846 | 328,965 | 58,119 | 5,873,029 |
| Additions | - | 292,388 | 16,885 | - | 309,273 |
| Disposals | - | (67,713) | (27,108) | - | (94,821) |
| As at 31 March 2025 | 4,451,099 | 1,259,521 | 318,742 | 58,119 | 6,087,481 |
| **Depreciation** | | | | | |
| As at 1 April 2024 | 1,631,602 | 658,790 | 253,443 | 58,119 | 2,601,954 |
| Charge for the Year | 92,027 | 133,748 | 34,103 | - | 259,878 |
| Disposals | - | (67,713) | (26,875) | - | (94,588) |
| As at 31 March 2025 | 1,723,629 | 724,825 | 260,671 | 58,119 | 2,767,244 |
| **Net book value** | | | | | |
| As at 31 March 2025 | 2,727,470 | 534,696 | 58,071 | - | 3,320,237 |
| As at 31 March 2024 | 2,819,497 | 376,056 | 75,522 | - | 3,271,075 |

Included in Land and Buildings is leasehold property with a carrying value of £453,749, with the balance being freehold. Land with a carrying value of £175,729 (2024: £175,729) is included in freehold property and is not depreciated. All of the above assets are used for charitable purposes.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2025

### 16. Tangible fixed assets *(continued)*

| Charity | Land & Buildings £ | Fixtures and fittings £ | Computer equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As at 1 April 2024 | 4,451,099 | 1,034,846 | 328,965 | 58,119 | 5,873,029 |
| Additions | - | 274,507 | 16,885 | - | 291,392 |
| Disposals | - | (67,713) | (27,108) | - | (94,821) |
| As at 31 March 2025 | 4,451,099 | 1,241,640 | 318,742 | 58,119 | 6,069,600 |
| **Depreciation** | | | | | |
| As at 1 April 2024 | 1,631,602 | 658,790 | 253,443 | 58,119 | 2,601,954 |
| Charge for the Year | 92,027 | 133,748 | 34,103 | - | 259,878 |
| Disposals | - | (67,713) | (26,875) | - | (94,588) |
| As at 31 March 2025 | 1,723,629 | 724,825 | 260,671 | 58,119 | 2,767,244 |
| **Net book value** | | | | | |
| As at 31 March 2025 | 2,727,470 | 516,815 | 58,071 | - | 3,302,356 |
| As at 31 March 2024 | 2,819,497 | 376,056 | 75,522 | - | 3,271,075 |

Included in Land and Buildings is leasehold property with a carrying value of £453,749, with the balance being freehold. Land with a carrying value of £175,729 (2024: £175,729) is included in freehold property and is not depreciated. All of the above assets are used for charitable purposes.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2025

### 17. Trading subsidiary

#### NDH Ventures Ltd.

The charitable company owns the whole of the issued ordinary share capital of NDH Ventures Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

A summary of its results is shown below:

| | 2025<br>£ | 2024<br>£ |
|---|---|---|
| Turnover | 692,090 | 664,928 |
| Cost of Sales | (175,501) | (138,939) |
| Gross Profit | 516,589 | 525,989 |
| Administrative Expenses | (98,129) | (75,992) |
| Other operating income | - | - |
| Profit on Ordinary Activities | 418,460 | 449,997 |
| Taxation | - | - |
| Profit for the financial year | 418,460 | 449,997 |
| Gift aid paid to parent undertaking under deed of covenant | 418,460 | 449,997 |

The aggregate of the assets, liabilities and funds were:

| | | |
|---|---|---|
| Assets | 158,938 | 152,846 |
| Liabilities | (75,229) | (69,137) |
| | 83,709 | 83,709 |

### 18. Parent charity

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

| | 2025<br>£ | 2024<br>£ |
|---|---|---|
| Gross income | 6,716,488 | 6,848,288 |
| Result for the year | (584,520) | 326,752 |

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2025

### 19. Investments

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|
| Fair value at the start of the year | 7,711,853 | 7,275,335 | 7,797,427 | 7,360,909 |
| Additions at cost | - | - | - | - |
| Disposal proceeds | - | - | - | - |
| Net (loss)/gain on change in fair value | (40,485) | 436,518 | (40,485) | 436,518 |
| | 7,671,367 | 7,711,853 | 7,756,941 | 7,797,427 |
| Historic cost at the end of the year | 5,527,153 | 5,527,153 | 5,612,727 | 5,612,727 |

Investments comprise:

| | 2025 £ | 2024 £ | 2025 £ | 2024 £ |
|---|---|---|---|---|
| UK Common investment funds | 7,671,367 | 7,711,853 | 7,671,367 | 7,711,853 |
| Unlisted shares in subsidiary undertaking Incorporated in the UK | - | - | 85,574 | 85,574 |
| | 7,671,367 | 7,711,853 | 7,756,941 | 7,797,427 |

Investments representing over 5% by value of the portfolio (group and charity) comprise:

| | 2025 £ | 2024 £ |
|---|---|---|
| BNY MELLON – Newton SRI Fund for Charities | 6,869,268 | 6,913,690 |
| BNY MELLON – Sustainable Global Dynamic Bond Fund | 802,100 | 798,163 |

### 20. Stock

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|
| Finished goods for resale | 12,006 | 9,152 | - | - |

### 21. Debtors

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|
| Trade Debtors | 127,126 | 111,293 | 127,126 | 111,293 |
| Other Debtors | 56,159 | 39,745 | 56,158 | 39,745 |
| Prepayments | 222,256 | 198,248 | 198,945 | 188,861 |
| Accrued income | 960,209 | 1,543,648 | 960,209 | 1,543,648 |
| | 1,365,750 | 1,892,934 | 1,342,438 | 1,883,547 |

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2025**

## 22. Analysis of cash and cash equivalents

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|
| Cash in hand | 3,676 | 12,713 | 3,676 | 12,713 |
| Cash at bank | 1,479,832 | 1,460,933 | 1,467,282 | 1,451,393 |
| | 1,483,508 | 1,473,646 | 1,470,958 | 1,464,106 |

| Analysis of net funds | Opening £ | Cash flow £ | Closing £ |
|---|---|---|---|
| Total cash | 1,473,646 | 9,862 | 1,483,508 |

## 23. Creditors: Amounts falling due within one year

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|
| Trade Creditors | 199,076 | 121,620 | 199,076 | 121,620 |
| Amounts due to group undertakings | - | - | 93,190 | 124,767 |
| Other taxes and social security | 99,500 | 89,735 | 99,500 | 89,735 |
| Accruals | 150,882 | 158,965 | 150,882 | 158,965 |
| Deferred income (Note 24) | 126,478 | 128,900 | 53,770 | 62,285 |
| | 575,936 | 499,220 | 596,418 | 557,372 |

## 24. Deferred income

Deferred income comprises of Fundraising Events income, where events will take place in the future year, and Lottery income, where draws will take place in the future year.

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|
| Balance Brought Forward | 128,900 | 145,006 | 62,285 | 76,360 |
| Amount released to income in the year | (128,900) | (145,006) | (62,285) | (76,360) |
| Amount deferred in the year | 126,478 | 128,900 | 53,770 | 62,285 |
| Balance Carried Forward | 126,478 | 128,900 | 53,770 | 62,285 |

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2025

### 25. Provisions – deferred tax

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|
| Balance Brought Forward | 2,521 | 2,521 | - | - |
| Increase in provision in the year | - | - | - | - |
| Balance Carried Forward | 2,521 | 2,521 | - | - |

### 26. Pension schemes

***Defined benefit pension schemes***

***NHS pension scheme***

The company 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 £169,799 (2024: £160,195).

Contributions amounting to £25,149 (2024: £21,369) were payable to the Fund at 31 March 2025 and are included in other creditors.

***Defined contribution pension scheme***

***AEGON pension scheme***

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £136,920 (2024: £131,905).

Contributions amounting to £20,854 (2024: £20,777) were payable to the Fund at 31 March 2025 and are included in other creditors.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2025

### 27. Statement of funds

| Group | As at 1 April 2024 £ | Income £ | Expenditure £ | Gains/ (Losses) Transfers £ | As at 31 March 2025 £ |
|---|---|---|---|---|---|
| **Unrestricted Funds:** | | | | | |
| **Designated Funds:** | | | | | |
| Buildings and assets | 3,273,087 | - | - | 47,150 | 3,320,237 |
| Risk based reserve | 2,952,000 | - | - | - | 2,952,000 |
| Income Generation Diversification | 600,000 | - | - | (600,000) | - |
| H2H Service Provision | 902,460 | - | (428,898) | 1,266 | 474,828 |
| Strategy Service Provision Organisational Development 21-26 | 3,000,024 | - | (1,201,823) | 1,439,169 | 3,237,370 |
| Strategy Digital Development & Innovation 21-26 | 342,038 | - | (48,891) | 125,072 | 418,219 |
| **Total designated funds** | 11,069,609 | - | (1,679,612) | 1,012,657 | 10,402,654 |
| **Revaluation reserve** | 2,184,699 | - | - | (40,485) | 2,144,214 |
| **General funds** | 574,693 | 6,668,851 | (5,758,642) | (846,713) | 638,189 |
| **Total unrestricted funds** | 13,829,001 | 6,668,851 | (7,438,254) | 125,459 | 13,185,057 |
| **Restricted Funds:** | | | | | |
| Patient services | 6,422 | 139,743 | (76,290) | 99 | 69,974 |
| Education | 19,052 | 350 | (19,403) | - | - |
| Long House | - | - | - | - | - |
| Capital other | 4,456 | 140,483 | - | (125,558) | 19,381 |
| **Total restricted funds** | 29,930 | 280,576 | (95,693) | (125,459) | 89,354 |
| **Total funds** | 13,858,931 | 6,949,427 | (7,533,947) | - | 13,274,411 |

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2025**

## 27. Statement of funds *(continued)*

**Comparative**

| Group | As at 1 April 2023 £ | Income £ | Expenditure £ | Gains/ (Losses) Transfers £ | As at 31 March 2024 £ |
|---|---|---|---|---|---|
| **Unrestricted Funds:** | | | | | |
| **Designated Funds:** | | | | | |
| Buildings and assets | 3,485,398 | - | - | (212,311) | 3,273,087 |
| Risk based reserve | 2,850,000 | - | - | 102,000 | 2,952,000 |
| Income Generation Diversification | 600,000 | - | - | - | 600,000 |
| H2H Service Provision | 1,193,313 | - | (422,054) | 131,201 | 902,460 |
| Strategy Service Provision Organisational Development 21-26 | 2,681,411 | - | (644,221) | 962,834 | 3,000,024 |
| Strategy Digital Development & Innovation 21-26 | 265,299 | - | (14,149) | 90,888 | 342,038 |
| **Total designated funds** | 11,075,421 | - | (1,080,424) | 1,074,612 | 11,069,609 |
| **Revaluation reserve** | 1,748,181 | - | - | 436,518 | 2,184,699 |
| **General funds** | 671,486 | 7,445,897 | (6,051,703) | (1,490,987) | 574,693 |
| **Total unrestricted funds** | 13,495,088 | 7,445,897 | (7,132,127) | 20,143 | 13,829,001 |
| **Restricted Funds:** | | | | | |
| Patient services | 14,649 | 24,640 | (32,867) | - | 6,422 |
| Education | 12,500 | 19,349 | (12,797) | - | 19,052 |
| Long House | 2,088 | - | (2,088) | - | - |
| Capital other | 7,854 | 16,745 | - | (20,143) | 4,456 |
| **Total restricted funds** | 37,091 | 60,734 | (47,752) | (20,143) | 29,930 |
| **Total funds** | 13,532,179 | 7,506,631 | (7,179,879) | - | 13,858,931 |

### Purposes of restricted funds

Education: Income received to support the delivery of education and training programmes focused on end of life care for healthcare professionals in the wider community.

Patient services are funds received to support the delivery of our services.

Long House represents funds received for the running costs of The Long House outreach centre in Holsworthy.

Other capital funds are funds received for specific capital projects.

### Purposes of designated funds

Buildings and asset reserve is to match the net book value of hospice assets at Deer Park, Westcombe Lane, and at the Long House which cannot be used without being sold.

Risk based reserve is to cover the financial impact of the main risks to the charity.

Income Diversification reserve, it is anticipated that these funds will be invested in the next 12 months on a project which will see an additional regular sustainable income stream on an annual basis.

## 27. Statement of funds *(continued)*

H2H Service Provision provides hands on nursing care to patients in their own homes with complex healthcare conditions, the teams focus being to keep patients at home and avoid unnecessary hospital admissions. Recognising the huge importance of the vital service, Trustees have set aside funds to ensure that a minimum level of service can be provided over the next 5 years.

Strategy 2021-2026: Service Provision and Organisational Development, this amount relates to the specific elements of the 5-year plan to further improve services that enhance the support to our patients and their families. We wish to be even more responsive to their changing needs and ensure that we have the staff in place with the appropriate skills to support this.

Strategy 2021-2026: Digital Development and Innovation - this fund supports the digital and innovation part of our strategy. Including initiatives such as digital tap and go donations, improving patient access via digital technology and further digital fundraising activities.

Investment revaluation reserve is a fund equal to the revaluation of investments to market value at the balance sheet date, which has not been realised.

### Charity

For the purpose of section 408 of the Companies Act 2006, the net movement of funds for the Company is a deficit of £584,520 (2024: surplus of £326,752). Total funds brought forward were £13,858,931 (2024: £13,532,179). Total funds carried forward were £13,274,411 (2024: £13,858,931).

## 28. Analysis of group net assets between funds

| At 31 March 2025 | General Funds £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible & Intangible Fixed Assets | - | 3,320,237 | - | 3,320,237 |
| Investments | - | 7,671,367 | - | 7,671,367 |
| Other Assets | 638,189 | 1,555,264 | 89,354 | 2,282,807 |
| | 638,189 | 12,546,868 | 89,354 | 13,274,411 |

| At 31 March 2024 | General Funds £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible & Intangible Fixed Assets | - | 3,273,087 | - | 3,273,087 |
| Investments | - | 7,711,853 | - | 7,711,853 |
| Other Assets | 574,693 | 2,269,368 | 29,930 | 2,873,991 |
| | 574,693 | 13,254,308 | 29,930 | 13,858,931 |

There are sufficient resources available, held in an appropriate form, to enable restricted and designated funds to be applied in accordance with restrictions imposed.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2025

### 29. Operating lease commitment

#### Group and Charity

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

| | 2025<br>£ | 2024<br>£ |
|---|---|---|
| Less than one year | 253,599 | 109,099 |
| One to five years | 349,793 | 198,592 |
| Over five years | 312,314 | 313,750 |
| | 915,706 | 621,441 |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £279,334 (2024: £247,180)

### 30. Capital commitment

#### Group and Charity

At the Balance Sheet date, the Charity had committed to a capital project for the installation of solar car park panels with a total contract value of £225,208. The financial commitment is structured as follows:

- A 10% deposit (£22,521) has been paid during the current financial year.
- A further 50% (£112,604) is due in April 2025, prior to the commencement of installation in May 2025.
- The remaining 40% (£90,083) will be payable upon completion of the project at the end of June 2025.

The total cost of the project will be covered in full by a grant from the Government's £100 million capital support programme for hospices,with funding expected to be received during 2025. The project is forecast to generate long-term operational savings, with energy cost reductions estimated to offset the full capital investment over approximately 14 years.

### 31. Contingent Assets

Legacies are not recognised until North Devon Hospice has entitlement to the funds, the amount can be quantified and there is probability of receipt. The estimated value of legacies, not included as income in these accounts and which have been notified but not received as at 31 March 2025, was £488,000 (2024: £nil).



# YOUR LIFE'S A STORY THE ENDING MATTERS

North Devon Hospice

Registered charity

**NORTH DEVON HOSPICE**

England & Wales - Charity number 286554

# Accounts



North Devon Hospice

North Devon Hospice

# TRUSTEES REPORT

## 2023 - 2024

Registered charity number 286554




# OUR APPRECIATION

We believe your life's a story. The ending matters.

North Devon Hospice's mission is to provide outstanding care and support to the community of North Devon who are impacted by a life-limiting illness. We can only achieve this together with you. It is your individual donations, business support, fundraising events, lottery memberships, gifts in wills and trust grants that enable us to be there for all the family.

In choosing to support us you are in fact making sure that death is as dignified and pain-free as possible for thousands of people on their behalf, thank you.

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# CHIEF EXECUTIVE'S REVIEW



The last 12 months has felt a positive one in so much as I feel the organisation has successfully moved from operating on the backfoot last year to the front foot this year. This is evidenced by how much has been achieved with our staff, our care, our partners and behind the scenes. Of course one of the key pieces of evidence of our achievements this year came in the outcome of our Care Quality Commission (CQC) inspection. We were delighted that the inspectors acknowledged how we have gone the extra mile for our patients and the culture that we have created around the organisation. Against the new more robust inspection framework we received Outstanding for our Care and Good across all other criteria. This is a huge credit to the hardwork, passion and dedication of all the staff here in always putting the patient first.

This year has seen further evidence of putting "the patient first" with some innovative enhancements in our care. From a patient nutrition perspective we have introduced the International Dysphagia Diet Standardisation Initiative (IDDSI) framework which enables us to ensure that patients can continue to enjoy food through texture modified foods and thickened liquids. Therefore any of our patients with eating, drinking and swallowing problems (dysphagia) can still enjoy food. We also saw innovation with our bespoke designed SafeCare model which we have rolled out across all teams. This tool ensured that our staffing levels for a particular shift were always appropriate for the level of patient clinical need. This has all been achieved in a year which saw us care for more people than ever before. All of our services have seen a high and sustained case load. More than this the needs of our patients continue to be more complex than ever before. From the bedded unit's perspective this resulted in us investing in an additional 3 staff members which we have done by introducing the Nurse Associate role allowing for more staff to cover night shifts.

All of this of course would not be possible without the charitable support of the community that we are privileged to serve. As with most in the charity sector we have struggled in the face of ever increasing costs to the point where this year saw us budget for a loss of £1million. Through effective cost control, focus on income and prudent long term utilisation of our reserves, we are managing this. That said, it was pleasing this year to see such a strong financial performance. Even more pleasing is that this performance was achieved across multiple income streams and not down to a fortunate one off large legacy or donation.

As we look to mark our 40th anniversary next year, several things have never changed and nor will they. Our dedication to providing outstanding care. Our gratitude to the dedication of our volunteers. Our reliance on the generosity of the community. The passion of our staff. It is with these in mind that I look to the future with optimism that we will continue to be there for all the family, when and wherever we are needed.



**Mr. Stephen Roberts**
Chief Executive Officer

# CHAIR'S REVIEW



I am pleased to be able to reflect on how well the Hospice has managed over the last 12 months to thrive and develop. We continue to a see a rise in need for our services and of course financial pressures continue however we have ended the year in a good position. This is thanks to the ongoing support of the local community who continue to raise much needed funds for us and the careful management of that money. We do our best to make every pound we receive go as far as it can to help everyone who needs the support of the Hospice.

We were delighted this year to have the standard and quality of our care recognised by the Care Quality Commission following their visit and assessment of our services. They appreciated, as do I, the dedication and skills of all of our staff who make the Hospice what it is and our ethos of putting the patient and their families first in all we do.

Whilst recognising our wonderful staff we also appreciate the amazing work and hours given for free from all of our ever growing team of volunteers. We really could not do what we do for our patients and families without the army of volunteers in so many varied roles across the charity.

The Board of Trustees continues to be committed to the Hospice and we have been fortunate to recruit new Trustees in the last 12 months who compliment the skills of the board. This gives us a strong, multi skilled and dedicated board working alongside the Senior Management Team to maintain the success of the Hospice now and for the future.

One of our ongoing areas of focus is to continue to work with the NHS and campaign for an appropriate funding contribution for the high quality care we deliver. This includes highlighting the positive impact the Hospice has on the rest of the local healthcare services, as a result of the care we provide, and working in a collaborative way with our NHS partners.

As I come towards the end of my tenure as chair of the Board of Trustees I am proud to have been in the privileged position to support the Hospice. I am confident the charity will grow from strength to strength with the ongoing commitment shown by the local community – the Hospice can only provide the care it does with the support, donations

and fundraising that we continue to receive from the local community year after year and we are very grateful.
Thank you.



**Mrs. Sharon Bates**
Chair of the Board of Trustees

# OUR MISSION AND STRATEGIC OBJECTIVES

## CHARITABLE MISSION

To provide outstanding care and support to the community of North Devon who are impacted by a life limiting illness.

The Trustees have referred to the guidance provided by the Charity Commission on public benefit. They are satisfied that the aims, objectives and activities of the Charity meet with the terms of this guidance.

## STRATEGY

2023 saw the completion of year 3 of our 5 year strategy. Throughout we have proactively ensured that all of our focus is on the delivery of our 8 strategic objectives. In so doing, ultimately deliver outstanding care to patients and their families. The following shows the impact that our focus has delivered:

### 1. Be there for everyone who needs us by providing outstanding care

Key Impact in 2023/24:

- **We cared for 1,571 (2022/23 1,817) people across North Devon**
- **Our Community Clinical Nurse Specialists made 3,123 visits across the whole of North Devon (2022/23 2,663) supporting 1,136 people (2022/23 1,132)**
- **Our Hospice to Home team supported 676 patients in their own home (2022/23 491)**
- **Our Bedded Unit cared for 101 complex patients (2022/23 92)**
- **Our Supportive Care team cared for 1,143 people (2022/23 1,026)**
- **We underwent a Care Quality Commission Inspection where our care was awarded the top rating of Outstanding**

### 2. Walk arm in arm with every healthcare partner who, in working with them, will enhance our patient care

### Key Impact in 2023/24:

- In support of community nursing in North Devon, we have worked with district nurses to finalise the governance arrangements for our own RN nurses to now be able to renew syringe drivers. This is a great outcome for our patients as well as the Northern Devon Healthcare system.
- To support more effective admissions into our bedded unit from the North Devon District Hospital, we have developed a referral pathway with supporting information directly to each ward's discharge co-ordinator. In so doing this will minimise the volume of information exchanges and time needed to get an appropriate referral into our bedded unit.
- We formalised a patient pathway with our colleagues at South West Ambulance Trust (SWAST) whereby they have an opportunity in response to a call out to an end of life patient to call North Devon Hospice first as an alternative to having to take them to the North Devon District Hospital Emergency Room. In so doing and where appropriate, we may be able to admit them straight into the bedded unit or deploy our Hospice To Home team.

## 3. Enhance End of Life Care Across North Devon Through Education

### Key Impact in 2023/2024:

- We have partnered with Petroc, the local adult education college, where our Clinical Practice Educator will provide clinical skills and education to T level Health & Social care students.
- 414 people attended our education sessions throughout the year
- With support from the ICB we recruited an additional part time educator to specifically focus on primary care and collaborate with care homes around their learning.

## 4. Nurture Content, Engaged Skilled & Fulfilled Staff

### Key Impact in 2023/2024:

- We held a Menopause Workshop for staff, run by one of our local GPs
- We continue to deliver on our wellbeing plan to support the physical and mental health of all of our staff
- We completed an all staff pulse survey that asked:-

- In the context of your role – what is on your worry list?
- As a member of the Hospice team, what would you like to know more about?
- As a member of the Hospice team, what do you think holds us back?
- Is there anything else you would like share?

In so doing we could ensure that we listen to our staff and create an action plan to increase their contentment at work

- We have started exploring Values Based Recruitment and alternatives to job interviews, to assess how we can further improve our recruitment processes.



## 5. Embrace Our Volunteering Community & Encourage You To Become Part Of It

### Key Impact in 2023/24:

- A new volunteer role within the community palliative care team was recently identified. This has developed into a whole team of Duty Support volunteers to support the Duty Clinial Nurse Specialist every weekday.
- We have been working closely with Devon County Council (DCC) to support DCC staff who are supporting North Devon residents looking to either return to work, gain employment skills or who are being supported into independent living. Volunteering is an excellent way for adults, or young people, to gain confidence and the relevant skills required to move their lives forward.
- We have also been working closely with local charities supporting asylum seekers and have amended our application process to ensure we are not discriminating and excluding those wishing to volunteer and give back to their local communities.



## 6. Embrace Technology To Enhance Our Care

### Key Impact in 2023/24:

- We have successfully renewed Cyber Essentials certification despite an increase in requirements to obtain this.
- Teams Replacing Phones: We rolled out Teams voice to replace our ageing phone system. This not only will provide cost savings but more importantly make the system more agile. Other advantages include there will be no requirement

for a physical phone for most people who have a hybrid working pattern, business continuity and disaster recovery options are greatly improved and any changes can be made rapidly from anywhere with an internet connection.



## 7. Be Financially Stable To Continue To Be There For All The Family

### Key Impact in 2023/24:

- Our total income this year was £7.07 million an increase of £1.04m from the previous year (2022/23 £6.02m)
- Our total operating deficit was £109k (2022/23 deficit was £569k).
- We increased reserves by £327k during the year. Combined with our movement of funds makes our total reserve position £13.9 million (2022/23 £13.5m)



## 8. Ensure That The Relationship We Have With The Community We Serve Inspires And Mobilises People To Support North Devon Hospice's Mission

### Key Impact in 2023/24:

- Our successful Halloween themed children's trail during half term week, saw over 800 people including 380 children visit the hospice grounds and Café allowing us to introduce the hospice to a completely new demographic we may not normally reach.
- Through patient storytelling we have been able to share many special moments and care outcomes which showcase the impact we have. This has manifested itself in another record breaking year for our newsletter which brought in £15.5k and we now have over 32k of followers across our social media platforms.

# YOUR IMPACT

## YOUR CLINICAL CARE

Everything that North Devon Hospice does goes back to one thing, the patient. With this in mind, we welcomed our inspection this year from our regulator the Care Quality Commission. The assessment, under the new Single Assessment Framework, took place between December 2023 and February 2024 including an on-site visit on 14th December. It was fantastic to see our focus, passion and dedication to patients and their families recognised by the inspectors. Under a new inspection regime, which increased its robustness in ratings, we secured 'Outstanding' for our Care and 'Good' overall. This is a testament to all the staff and volunteers who go the extra mile for anyone we are privileged to care for.

Whilst we provide specialist palliative care to our patients, as a healthcare system and locality, end of life care is everyone's business. As such 2023 saw us continue to seek out opportunities to work with our healthcare colleagues to ensure even better patient outcomes. As you will see in this section, through engaging with our paramedic, district nurses and hospital colleagues we have been able to increase the level of support that can be provided to patients when and where they need it. The figures support this as we saw a record year in terms of new referrals to our services.

| Hospice Services Provision | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|---|---|---|
| Number of new referrals: | 1,179 | 1,395 | 1,449 | 1,439 | 1,144 | 1,243 | 1,431 | 1,571 |

## YOUR BEDDED UNIT

2023 saw a number of initiatives that secured better patient outcomes, better care and even more person-centered care. To the latter we have greatly enhanced our nutritional support to patients on the bedded unit. Working together the catering team and the bedded unit nurses have embedded the IDDSI framework which enables us to ensure that patients can continue to enjoy food through texture modified foods and thickened liquids. Therefore any of our patients with eating, drinking and swallowing problems (dysphagia) can still enjoy food.

Following on from an earlier initiative, we have now formalized a patient pathway that allows our colleagues in the ambulance service to call us from a patient's home to ascertain whether they can transfer the patient directly into our bedded unit or have us deploy our

hospice to home team to support the patient to remain at home. In each case avoiding the need for the patient to be admitted into hospital via the emergency department.

For those patients who do find themselves in hospital we have worked with ward teams and the discharge coordinators to develop a transfer pack and information tool that supports safe and timely transfers by streamlining the process of making a referral to our bedded unit.

Recognising the importance of having your partner next to you in bed we invested in a "cuddle bed". The bed is designed and compatible for two people to lie on. It can be extended to suit patient need and allows the patient to have a cuddle with their loved one whilst still providing all the required clinical support to the patient's needs.

Thanks to your support we have cared for 106 people (2022/23; 92) this year on the bedded unit.




## YOUR COMMUNITY SPECIALIST PALLIATIVE CARE NURSING

Our clinical nurse specialists (CNS) supported 1,136 (1,132 in 2022/23) people to die where they wanted, in their own home. Covering one of the largest rural areas in England, geography was not and never is a factor to access our care with our nurses travelling over 23,000 miles to make 3,123 (2,663 in 2022/23) visits to patients.

Working shoulder to shoulder with district nurses we saw an opportunity to provide quicker pain relief to patients in need where if there was a need for a syringe driver to be set up, our nurses are now able to carry out this when in situ, rather than having to wait for our busy district nurse colleagues to make a separate visit to achieve this which could take hours.

# 1,136

**NUMBER OF PATIENTS SUPPORTED BY OUR CNS TEAM**

## YOUR HOSPICE TO HOME



"ALL OF THE STAFF WERE KIND, CARING, PATIENT AND EMPATHETIC. WE FEEL PRIVILEDGED TO HAVE MET EVERY SINGLE ONE OF THEM."

As Hospice to Home continues to be heavily relied upon by both community nursing and the hospital discharge teams, 2023 saw a large increase in the patient caseload looking after provided 676 people (2021/22 419).

Alongside partners such as SWAST and the Rapid Intervention Centre, Hospice to Home plays a major role in avoiding unnecessary hospital admissions. This is crucial as the worst case scenario we are all trying to avoid is that a dying patient is uprooted from their home and loved ones and ends up dying in a busy emergency department. Hospice to Home ensures that this does not happen. It is with this impact that we continue to work with Devon's Integrated Care Board to seek funding for this vital service which at the moment is charitably funded.



"NOTHING WAS TOO MUCH TROUBLE FOR ANY OF THE STAFF, REALLY IMPRESSED BY THE CARE GIVEN BY EVERYONE."

## YOUR SUPPORTIVE CARE

When we talk about end of life care and being there for all the family, this extends past just the specialist clinical support that we provide. With terminal illness and death comes huge emotional and mental health challenges. This is where North Devon Hospice's supportive care team have a big impact. Providing one to one as well as group support to both patient's and their families, we can hold and support people both pre and post bereavement. We can do this both at Deer Park in Barnstaple as well as at The Long House, our outreach centre in Holsworthy.

Developments in the Supportive Care offering this year have included the further development of our wellbeing programme to include such things as seated yoga and nutritional workshops. The Supportive Care team have also created some wonderful moments for our patients including delivering a full restaurant experience, candle-lit dinner for two for 14 couples currently being supported by the Hospice.

The last 12 months have seen an unprecedented volume of support provided by the team. In 2023/24 the team supported 1,143 people (1,026 in 2022/23).




## YOUR CLINICAL EDUCATION

With a Clinical Educator now in place we have been able to develop and add momentum to our education programme this year. As specialists in end of life care sharing the different skill sets that are required to provide the best possible outcomes for end of life care patients is at the heart of our mission.

From running a pharmacological symptom management day for GPs and Nurses to developing a targeted education programme for care homes, 2023 has seen a marked increase in external education provision. This includes a great partnership with Petroc, the local adult education college, where our Clinical Practice Educator will provide clinical skills and education to T level Health & Social care students. This year we have educated 414 people.

## YOUR FEEDBACK

Your care needs change and to ensure that we both pre-empt this and respond in an appropriate manner it is essential that we operate a culture of continuous improvement. To achieve this, proactively seeking feedback from our beneficiaries is crucial. Therefore, we place significant emphasis on engaging with our beneficiaries to seek feedback. To ensure that this feedback is independent and confidential, we utilise a third party platform called ***iwantgreatcare.org***. Through this we know that in 2023/24 North Devon Hospice

received 84 reviews which is double from the previous year and have an overall maximum rating of 5 stars. What was particularly satisfying this year was to be awarded a Certificate of Excellence by ***iwantgreatcare.org*** in recognition of our outstanding patient care.

iWantGreatCare
Certificate of Excellence
2023
www.iwantgreatcare.org

**Certificate of Excellence Winner**

## OUR VOLUNTEERS




There is not a single facet of North Devon Hospice that does not operate without the support of volunteers. It is thanks to their generosity and passion that we can care for our patients and families. 2023 was a year of "recruitment" as we not only looked to bolster our shop workforce but also develop several care roles as well. It was great

to see our volunteer numbers move past 400 again which is the first time since COVID we have been back at that level.

Some of the new developments include:

- A new volunteer role within the community palliative care team which has developed into a whole team of Duty Support volunteers to support the Duty Clinical Nurse Specialist every weekday
- Our new Care Volunteer Programme. The Programme will offer students hands-on care experience, over approx. 12-week period, and they will be asked to complete a workbook to accompany their volunteering experience, gaining a certificate upon successful completion of the Programme.

To ensure we honour and listen to our volunteers we carried out an Engagement Survey which had a fantastic completion rate. Three representatives from the Volunteer Inclusion and Engagement Working Group (VIEW) then collaborated with three members of the Leadership Team, to take a deep dive into the 2023 Engagement Survey results. They have been tasked with creating an action plan to address the areas identified as priorities for action in the survey.

As ever we are utterly indebted to the generosity of the community we serve and volunteers give one of the most precious gifts of all, time.

## OUR STAFF




The outstanding care that our patients and their families receive is only made possible by our staff. As is right, one of our strategic objectives is dedicated to our staff. Specifically that we nurture content, engaged and fulfilled employees. To achieve this in 2023 we:

- Completed our equality, diversity and inclusion monitoring exercise for staff and volunteers. This enabled us to complete a tangible action plan for our Equality, Diversity and Inclusion strategy.

- We have started exploring Values Based Recruitment and alternatives to job interviews, to assess how we can further improve our recruitment processes.
- Held a Menopause Workshop for staff, run by one of our local GPs.
- We completed an all staff pulse survey that asked:-
  - In the context of your role – what is on your worry list?
  - As a member of the Hospice team, what would you like to know more about?
  - As a member of the Hospice team, what do you think holds us back?
  - Is there anything else you would like to share?
- We continued running our Leadership Development and HR skills training for current and new leaders.
- As part of our Wellbeing Strategy we continued to run Wellbeing Wednesday articles with supporting resources added to our Wellbeing page on our intranet.
- We established regular Schwartz Rounds which allows for a safe supported group environment to explore and share emotional aspects of working at the hospice. Each session is facilitated and has a different theme. This has proven to be a highly effective way to bring the entire organisation together in a mutually supportive way.

## WHAT WE WANT TO ACHIEVE

2023/24 saw us enter the third year of our five year strategy which sets out to achieve the following objectives:

1. Be there for everyone who needs us by providing outstanding end of life care
2. Walk arm in arm with every healthcare partner, to ensure local people receive the best care at the right time, in the right place
3. Provide education opportunities for the health care workforce to enhance end of life care in any setting
4. Nurture content, engaged and fulfilled employees and volunteers
5. Embrace our volunteering community and inspire people to get involved
6. Invest in technology to enhance our care
7. Have an inspired and motivated relationship with the community we serve
8. Be financially stable to continue being there for all the family.

In the next 12 months our key priorities will be:

1. Work with NHS Devon to get Hospice to Home commissioned
2. Increase income from our Retail division
3. Recruit more volunteers
4. Complete our 40th Anniversary plans which include:

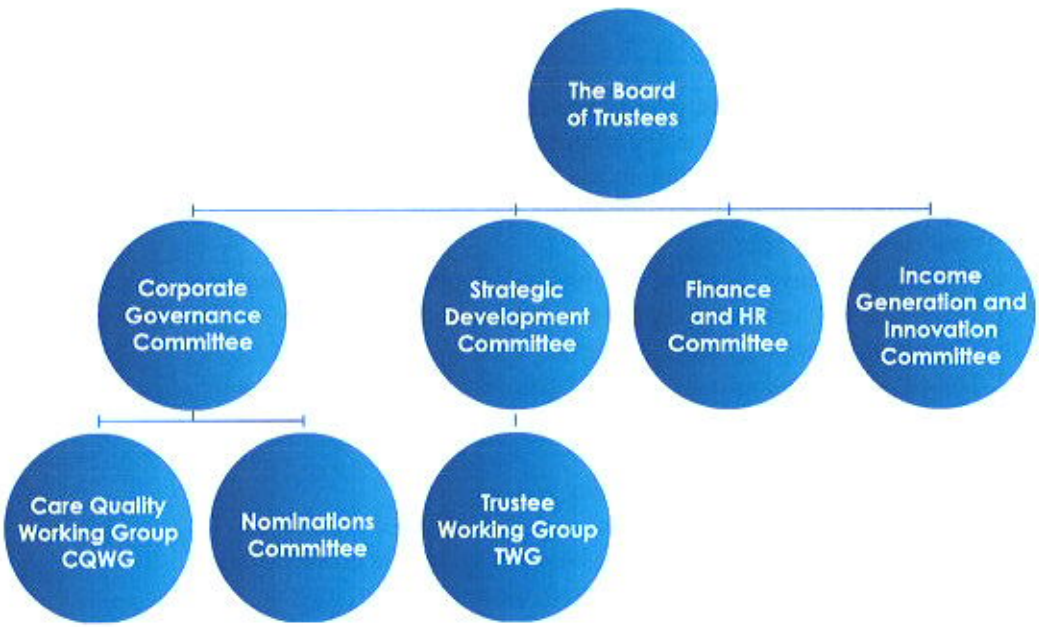
a. Schools Engagement Programme
b. Care Volunteer Programme
c. Re-launch our Gifts In Will Programme

5. Diversify our income

## OUR GOVERNANCE

As we are only able to provide our care thanks to the community that we serve, we are morally as well as regulatory duty bound to ensure that every single pound raised is used in the most effective way. We need to ensure that the organisation, to continue to exist, to continue to thrive and to continue to be there for all the family utilises all of our resources in the most impactful way. Effective Governance is at the heart of this. Overall responsibility for our governance lies with the 12 Trustees who, alongside the Senior Management team of 4, made up of the Chief Executive, Director of Care, Director of Finance, Director of Human Resources & Organisational Development, make up the Board. The Board of Trustees meets 4 times a year. At each board meeting the organisation's strategic objectives, annual budget and top risks are formally reviewed, challenged and agreed. In addition, the Chief Executive and the Senior Management Team report on performance, compliance, risks and opportunities in the hospice. In support of effective governance there are 4 sub-committees who in turn are supported by two working groups. This is structured as follows:

### North Devon Hospice Governance Structure



- **The Corporate Governance Committee:** Meeting four times a year, this focuses on matters of governance, regulation including health and safety, audit and risk. In addition the Care Quality Working Group and the Nominations Committee report into this committee. North Devon Hospice's risk register would also be reviewed at this Committee before being presented to the Board.

- **The Strategic Development Committee:** Meeting twice a year, this considers how the hospice is performing against the strategic plan

- **The Finance and HR Committee:** Meeting four times a year, this reviews the financial performance of the organisation against both budgets and reserves and considers whether the hospice has the resources to achieve its aims and objectives. The committee receives the report from our statutory external auditors who attend the meeting annually

- **Income Generation & Innovation Committee:** For North Devon Hospice to remain financially stable and best placed to support our patients and families it is essential that we are sustainable financially and as efficient and as effective as an organisation as possible. To give this the appropriate level of focus this committee ensures that North Devon Hospice is maximising its income generation opportunities and remains as innovative as possible.

To further support these committees, working groups are in place to ensure a more detailed scrutiny of key areas which includes:

- **Care Quality Working Group:** To enhance the already existing focus on patient care, the Care Quality Working Group ensures effective clinical governance and audit

- **Trustee Working Group:** This working group is attended by the Board of Trustees and the Senior Management Team. This open forum is an opportunity to discuss and explore any particular topic in more detail. In this year the group met to carry out a deep dive on the level of our Risk Reserves, reviewed our strategic Key Performance Indicators to see if they were fit for purpose and reviewed several commercial business opportunities ranging from the development of holiday lodges to the purchasing of a holiday cottage.

- **Nominations Committee:** to cover all recruitment responsibilities relating to new Trustees and the Chief Executive on behalf of the Board

## Trustees' Statement on Governance Review

We are pleased to report that our recent review of the charity's operations against the governance code has affirmed our commitment to excellence in governance. This comprehensive review was conducted with the objective of ensuring that our practices align with the highest standards of accountability, transparency, and effectiveness.
Key findings from the review include:

1. **Strong Leadership and Strategy**: Our board of trustees has demonstrated robust leadership and strategic oversight, ensuring that our mission and vision are consistently pursued. The strategic plan is regularly reviewed and updated to reflect current needs and opportunities.
2. **Effective Decision-Making:** The processes and frameworks in place facilitate effective and timely decision-making. We have clear policies and procedures that guide our operations, ensuring decisions are made in the best interest of the charity and its beneficiaries.
3. **Transparency and Accountability:** Our commitment to transparency is evident in our reporting and communication with stakeholders. We maintain comprehensive records and provide regular updates on our activities, outcomes, and financial status.
4. **Board Skills and Development:** The board is composed of individuals with diverse skills and expertise. We prioritize ongoing training and development to ensure trustees are well-equipped to fulfil their roles effectively. Regular performance evaluations and succession planning are integral parts of our governance practice.
5. **Risk Management and Compliance:** We have a robust risk management framework that identifies, assesses, and mitigates potential risks. Compliance with legal and regulatory requirements is monitored closely, ensuring we adhere to all relevant standards and obligations.
6. **Stakeholder Engagement:** Our engagement with stakeholders is strong and proactive. We value the input and feedback from our beneficiaries, partners, donors, and the wider community, and use this information to continually improve our services.

The trustees are confident that our adherence to the governance code not only enhances our effectiveness but also reinforces the trust and confidence placed in us by our stakeholders. We remain committed to continuous improvement and will regularly review our governance practices to ensure they remain fit for purpose and aligned with best practices.

## Fundraising Practices

North Devon Hospice is committed to its donors and supporters. This means treating all donors with the highest level of care, consideration and respect. The trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their fundraising activities.
North Devon Hospice has voluntarily subscribed to the Fundraising Regulator and is committed to the Fundraising Promise and adherence to the Code of Fundraising Practice set by the Fundraising Regulator. We have a fundraising team, all of whom are employees of North Devon Hospice and who organise our own in house events such as Nightwalk and Mission: Unbreakable. The team also support both external groups and individuals with events and fundraising initiatives to raise money for our charity. This also includes supporting individuals to participate in such events such as the London Marathon or to complete sky dives. In addition the team works with individuals, companies, community groups, and trust and grant organisations to raise income for North Devon Hospice.

We use collection boxes in a large number of establishments to raise funds. We run a weekly Lottery in our trading subsidiary all profits are gifted to the charity. For the Lottery we use third party canvassers, we ensure these canvassers observe the highest standards in terms of fundraising practice and monitor their performance through the use of mystery shopping and random checks with donors.

North Devon Hospice does not engage in door to door, cold-calling or wealth-screening and does not buy or sell data.

An annual budget is set for all Fundraising activities, performance against these targets is monitored and formally presented not only to the Chief Executive and Director of Finance, but the Income Generation and Innovation Committee which is a sub group of the board.

We have a complaints procedure to ensure that any concerns regarding fundraising practices are:

- listened to and investigated thoroughly and fairly to find out the facts
- acknowledge within 2 working days, unless a reply in full can be sent within 5 working days
- kept anonymous if requested
- learned from by the team

We have received two verbal concerns about our fundraising activities during the year to 31 March 2024 both of which were low level risk and concluded to a satisfactory outcome for the complainants.

We have policies and procedures in place to safeguard the vulnerable and we ensure our fundraisers adhere to these policies, all staff across the hospice are trained in Safeguarding. In addition, great care is taken to ensure that all donors are treated fairly and are enabled to make informed decisions about any potential donation. If required, the Fundraising team draws on the resources of the healthcare professionals based in the hospice to

support a judgement about a donor's potential vulnerability or lack capacity and always err on the side of caution.

## RISK MANAGEMENT

Effective risk management empowers North Devon Hospice to thrive and succeed as an organisation.

To achieve this, North Devon Hospice's risk management seeks to ensure that the entire risk profile of the organisation (both strategic as well as operational) is effectively identified and where possible managed.

North Devon Hospice defines risk as: *"The threat that an event, action or failure to act will adversely affect North Devon Hospice's ability to achieve its objective, capture opportunities or to deliver its aims to the required standards"*

North Devon Hospice defines risk management as: *"The proactive identification, evaluation, control and continued monitoring of those risks that threaten the assets, people, patients or reputation of North Devon Hospice"*

North Devon Hospice has in place a Risk Committee, Chaired by the Chief Executive and includes the Director of Finance, Head of Facilities as well as the Quality Lead. This committee meets throughout the year to review the departmental risk registers and the strategic risk register before then being able to create the North Devon Hospice Top Risks Register. A tailored risk assessment criteria which allows for risks to be scored across several criteria such as reputational impact, financial impact and service interruption is used to prioritise the risks identified.

The Current Top Risks to the success of North Devon Hospice's are:

It is against these top risks that the Board of Trustees are able to establish a clear line of sight on the levels the organisation should hold within its Risk Reserves.

| RISK: | ACTION PLAN: |
|---|---|
| **INABILITY TO FUND PEOPLE RESOURCES** | 1. Devon ICB Commissioning Review<br>2. H2H service review<br>3. Actively seeking diversification of income<br>4. FR and retail income streams closely reviewed |
| **MACRO-ECONOMIC CONDITIONS** | 1. Continue to promote the benefits and value that the hospice provide<br>2. Promote the need for continued financial support to local charity<br>3. Additional Fundraising Events planned<br>4. To increase reach, increase digital presence |
| **INABILITY TO SECURE REQUIRED FUNDING** | 1. EOL Funding review with commissioners<br>2. Continued pressure on HUK to cover future NHS pension costs.<br>3. Working with locality commissioners to reframe H2H in more of an admissions avoidance impact to better support potential funding. |
| **NO PALLIATIVE CARE CONSULTANT** | 1. Proactive recruitment campaign for Palliative Care Consultant without responsibility as Medical Director. |

## SENIOR MANAGEMENT TEAM REMUNERATION

The Board of Trustees are responsible for setting remuneration levels for the charity's senior staff. The key objective for North Devon Hospice is to ensure that our approach is to offer fair pay to attract and keep appropriately qualified staff to lead, manage, support and/or deliver our objectives. In deciding Senior Management team remuneration, as a Board of Trustees we have considered:

- The purposes, aims and values of the charity and its beneficiary needs.
- How this remuneration impacts on the overall pay policy for all employees and for the Senior Management team in particular.
- The types of skills, experiences and competencies that North Devon Hospice needs from its Senior Management team, the specific scope of these roles and the link to pay.
- The charity's strategic plan and how the implementation of this plan may affect the number of senior staff the charity needs to employ or recruit and the nature of these roles.

• The charity's ability to pay. This includes the cost to the charity of raising pay, whether it is sustainable, how appropriate the level of pay is, and any pay increase, is in the context of the charity, as measured against the needs of its charitable purposes and beneficiaries.
• The board's assessment of the charity's performance and the Senior Management team's performance against expectations, in both short and long term.
• Appropriate available information on pay policies and practices in other organisations that can inform the decision on whether a level of pay is fair and reasonable. This has been achieved through using Association of Chief Executives of Voluntary Organisations, as well as National Council for Voluntary Organisations as well as looking at other hospices, charitable organisations and the private sector.

In addition to the above and in accordance with the Statement of Recommended Practice (SORP) North Devon Hospice, within our audited and published annual report and accounts, discloses the number of employees whose remuneration exceeds £60,000.

Therefore with a Senior Management team pay scale established and with the performance of the Senior Management team formally reviewed on an annual basis against set objectives, the Trustees of North Devon Hospice are satisfied that there is appropriate, robust, transparent and fair remuneration in place for its Senior Management team. This is particularly true this year following the organisation wide pay benchmarking exercise that was carried out in support of our own Pay Framework, which led to the roll out a new spot salary model. The Senior Management team's pay formed part of this review.

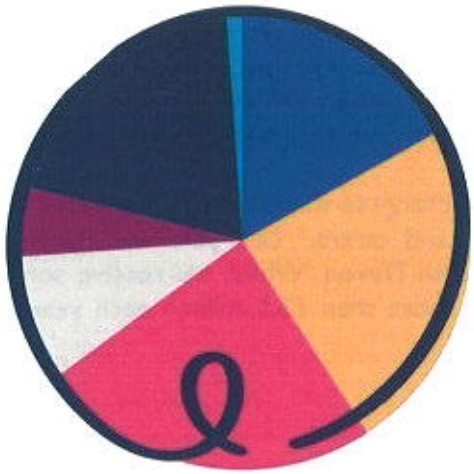
## ANNUAL FINANCIAL REPORT

- Each year we manage our finances to ensure that we are best placed to deliver high quality services to our patients and their families, both now and in the future. We measure ourselves against an annual budget and forecast as well as continually looking forward over the next 5 years to ensure the decisions we make today are also right for the future.
- The financial results are detailed in the Consolidated Statement of Financial Activities on page 41 of the report.
- This year resulted in an operating deficit of £109k (2022/23 deficit £569k), added to this was a positive revaluation of investments of £437k (2022/23 £221k negative) which meant that we increased reserves by £327k during the year, bringing our reserves up to £13.9 million (2022/23 £13.5m).
- The year saw an increase in both income and expenditure, we were fortunate to be well supported across all of income streams, which enabled us to manage an 8.9% increase in charitable expenditure due to increased employment and running costs as we continue to react to the needs of our patients and their families. Our total expenditure for the year rose to £7.18m (2022/23 £6.59m) whilst the number of patient referrals increased by 9.8%.

- We continue to look at our financial modelling over the next 5 years to ensure that we have suitable reserves to deliver both our current services and also extend these services as outlined in our strategy. Having reviewed this, Trustees are comfortable about our going concern position and that we have both a sufficient risk based reserve and designated reserves to ensure we achieve our strategic objectives.
- All our services are supplied free of charge to those with a progressive life limiting illness as well as to their families and carers. Last year we supported 1,971 (2022/23 1,817) people across North Devon. Whilst we receive some funding from the NHS, we need to raise more than £5.5 million each year from our supporters.

**Income**

- Total income this year was £7.07 million an increase of £1.04m from the previous year (2022/23 £6.02m). We saw growth in all areas of income;
- In Memoriam donations and legacies totalled £1.7m (2022/23 £1.45m): the increase is mainly in relation to In Memoriam donations where we have received a significant one off donation of £100k in the year from a beneficiary's family. Legacy income also increased by £85k from the previous year. We are always very conscious of the fact that legacy income is unpredictable, and as such we always err on the side of caution when planning for this type of income.
- This year has seen further significant growth in our retail income of £1.67 million which is up 12.% on last year. Nationally charity retail grew by 4.2% last year according to the Charity retail association, our plans for retail growth is working well.
- Lottery income was once again challenging with attrition rates increasing as people look to reduce their outgoings, this led to another drop in Lottery income of £621k (2022/23 £630k).
- Fundraising events and donations were a strong area of growth for us this year with income exceeding pre pandemic levels. It was amazing to see nearly 1000 woman take part in our annual Nightwalk event and of course Mission Unbreakable which raised over £106k more than double the income of the previous year.
- Our annual grant income from NHS Devon increased by £109k (9.4%), to £1.26m. The grant contributes to the running of our Bedded Unit and our Community Nurse Specialists teams. Our Hospice to Home service also received funding of £95k from NHS Devon to help support the ongoing provision of this service which is also part funded through Continuing Healthcare (CHC) income of £98k (2022/23 £128k), with the remainder supported from reserves we have specifically designated to cover the cost of this service. Hospice to Home cost £670k to run this year.



## INCOME

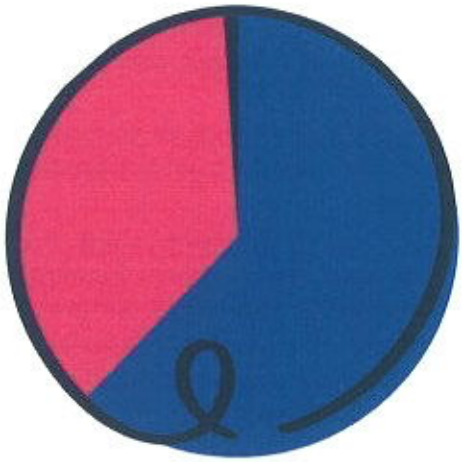
| | |
|---|---|
| Fundraising & Donations | 17% |
| Retail | 24% |
| Legacies & In Mem | 24% |
| Lottery | 9% |
| Investments & Other | 5% |
| Integrated Care Board | 20% |
| Continuing Healthcare | 1% |

Total Income: £7,063m

### Expenditure

- Expenditure for the year increased to £7.18 million (2022/23 £6.594m). Of this expenditure £47k (2022/23 £84k) was paid for from restricted income, which is where the donor specifies the use.
- The cost of raising funds totalling £2.6 million (2022/23 £2.4m) has increased as we have increased our success in both fundraising and retail income. Cost increases reflect staffing costs and costs to support specific fundraising initiatives. In terms of retail despite the increase in operating costs the net profit of our retail establishment has increased to £220k which is 202% better than the surplus of £73k in 2022/23. Fundraising income has also increased significantly by £200k.
- Expenditure on charitable activities increased this year to £4.5 million (2022/23 £4.16 million) we continue to see the specialist needs of our patients becoming even more complex. As our patient acuity increases, we are having to invest in more specialist nursing staff to support this giving an even higher staff to patient ratio. Furthermore we have developed our catering offering to our more complex patients by following the International Dysphagia Diet Standardisation Initiative (IDDSI) framework and offering a complete menu that can range from puree to mince and moist alongside our existing menus. This year again saw an increase in the number of beneficiaries we were able to support: 1,971 (2022/23 1,817) during the year. We continue to see cost increases in all areas as suppliers continue to put prices up, alongside this we are bearing the pressure of increased utility costs and salary increases.
- Capital expenditure this financial year totalled £59k, a significant decrease from the previous year in which we refurbished the bedded unit. Included in this year's capital expenditure was the purchase of a cuddle bed (£15k) which we were fortunate enough to receive grant funding for, this bed allows a loved one to cuddle up with our patient whilst they are in our bedded unit, allowing the patients clinical needs still to be meet. With further funding we hope to buy more next financial year.

- The charity has a wholly owned trading subsidiary called NDH Ventures Ltd. The trading activities of this company are the hospice lottery and the sale of bought in goods through our shops. The profit for this company of £450k is gifted to the charity (2022/23: £479k)



## EXPENDITURE

| | |
|---|---|
| Service delivery Clinical and Supportive care | 62% |
| Cost of raising funds | 37% |
| Education | 1% |

Total Income: £7,18m

### Investments and Reserves Policy

- The hospice has a policy which seeks to ensure that, not only are investments made ethically, but that the investment strategy precludes investing in any company whose principal activities have an adverse impact on the underlying beneficiaries of the hospice.
- The main areas of investment exclusion are those companies who have involvement in the manufacture or sale of weapons specifically landmines, cluster bombs, weapons of mass destruction, and chemical weapons or similar, or derive more than 10% of their turnover from tobacco or alcohol products, or provide no evidence of response to allegations of severe damage to ecosystems, natural habitats or populations of species i.e. biodiversity (for high and medium risk issues), or those who have breached a discharge consent for a Red list substance in the last three years or provided no evidence of response to allegations of breaches of core International Labour Organisation standards on child labour or forced labour in its own or its supply chain operations, or derive more than 10% of its turnover from the extraction of thermal coal, tar sands or oil shale. Any investment that initially passes the above tests, but then subsequently fails would be sold within the shortest reasonable period of time.
- Newton Investment Management are appointed to manage the investment portfolio, their objectives are to achieve a balanced return from income and capital growth over the long-term.

- At the beginning of this financial year our investment portfolio was valued at £7.3 million (2022/23 £6.74m). During the year we saw the value of the portfolio increase, with a positive investment revaluation of £437k at the end of the year.
- The increase in investment has been added to reserves, specifically the designated reserve which is set aside to offset any future losses. This is further detailed below
- The portfolio at the end of the year was valued at £7.7 million (2022/23 £7.3m)
- We hold cash both in our current account for working capital purposes and in several deposit accounts. The total cash holding at year end was £1.47million (2022/23 £1.9m).
- The Finance and HR Committee measures the performance of our portfolios against various benchmarks. Quarterly reports are received from our brokers and the Board of Trustees meet with them annually.
- As part of effective financial management and forward financial planning, trustees review the level of reserves held on a regular basis. Trustees look forward over the next 5 years and consider various scenarios which could affect our income or cost base. For example, considering the impact of a significant drop in legacy income, which is always an area of great uncertainty, or what is happening in the external environment which may affect our cost base or our ability to raise income. Specifically in setting the level of reserves the following steps are taken;

**1. Identifying any reserves which are restricted**

Restricted funds can only be used for the purposes specified. These restrictions can be created because of the wording of a public appeal, through the terms of an award granted or the use may be specified by the donor.

**2. Identifying functional assets**

The trustees consider the fixed assets to be essential to the delivery of the charity's aims therefore the cost of such assets can be designated and excluded from the calculation of reserves.

**3. Understanding the impact of risk**

When setting the level of reserves the trustees look at the risks and uncertainties facing the charity. This is done by reviewing the top risks to the organisation and attributing a value to them. In doing this the trustees consider the different types of income stream, any vulnerability around sudden or unforeseen decline in a particular income source. Furthermore, they consider the agreement in place for NHS funding and whether income is likely to be affected by the general economic situation, as well as the strength in relationship between the hospice, its donors and financial supporters. It then looks at its cost base and considers what risks there are to increased costs in working, for example is there a skills shortage in a particular area or will changes in demographic put a greater burden on services, what are the changing needs of our beneficiaries, and are we meeting demand.

Having reviewed the risk based reserve during the year the trustees felt it prudent to increase the reserve this year by a further £102k increasing it to £2.952 million (£2.85 million 2022/23).

**Restricted reserves**

The total value of restricted reserves is £30k as of 31st March 2024 (2022/23: £37k) which is identified as follows:

- Patient services - £6k (2022/23: £15k) of reserves are restricted for the further enhancement of services delivered to patients and will be used in accordance with the donors' wishes.
- Education - £19k (20221/23: £12.5k) of reserves specifically for clinical education purposes.
- Capital Projects - £4k (2022/23: £7k) has been restricted for capital projects relating to improvements predominantly to support patient areas in line with donor wishes.
- The Long House - £0k (2022/23: £2k) relates specifically to the projects at The Long House, our outreach centre in Holsworthy.

**Designated Reserves**

The trustees have identified the need for the following designated reserves:

- Building and Assets – as previously stated the trustees consider fixed assets essential to the delivery of the charity's aims, as such a fund equal to the net book value of hospice fixed assets, which cannot be used to fund expenditure without being sold has been set aside. This year saw a decrease in this fund of £213k (2022/23: increase £155k) being the net of additions in the year and the annual cost of depreciation.

- Investment Reserve – the charity holds £7.7million (2022/23 £7.3 million) in investments, a fund is held equal to the revaluation of investments to market value at the balance sheet date which have not been realised. This year saw an increase in this fund of £437k (2022/23): decrease £221k), bringing the reserve to £2.2 million (2022/23 £1.7m).

- Risk Based Reserve – as previously described the Trustees review as part of the risk management and financial planning process the level of reserves to cover the financial impact of the main risks to the charity including exposure to changes in income or expenditure. This year the fund was increased by £102k to £2.952 million (2022/23: £2.85m).

- Income Diversification – the trustees have identified the need to incur expenditure in order to establish an alternative sustainable source of income in addition to our current income streams. Having reviewed the reserve, it is to remain at £600k.

- Hospice to Home – recognising the huge importance of our Hospice to Home team who provide hands on nursing in patients homes, the trustees have set

aside funds equivalent to the cost of the service, whilst we continue to work with the Integrated Care Board (ICB) to find sustainable funding for this service. We have used £422k (2022/23 £329k) of funds to support Hospice to Home this year. We have a fund of £900k to provide this service, without any further growth in the team, over the next 2 years.

- Strategy 2021-2026 – we launched the new 5 year strategy in 2021. The strategy was refined in light of the COVID pandemic and reviewed taking into account future needs. A number of key projects and milestones have been identified to achieve this strategy, as a result the trustees reviewed these designated funds to support the strategy moving forward.
    - Service Provision and Organisational Development- we used £644k of the funds this year to support both the cumulative effect of our pay model to ensure that staff are paid no less than 5% below the market median for their roles, thus ensuring that we are able to attract and retain the highly skilled staff we need to sustain and develop our services. Additional funds of £962k have been added to this reserve to support the ongoing strategy. The total fund at the end of the year to support our strategy is £3 million (2022/23 £2.7m). As we look to further develop services to enhance the support to our patients and their families and be more responsive to their changing needs.

    - Digital Development and Innovations- during the year ending March 2024 we utilised £14k of this fund (2022/23 £6k) The funds of £342k (2022/23: £265k) will be used to support further digital development and innovation to allow us to work quickly and agilely in responding to everchanging patient need.

General unrestricted, undesignated funds amounted to £575k (2022: £671k).

**Statement as to disclosure of information to auditors**

In so far as the Trustees are aware:

- There is no relevant audit information of which the charity's auditors are unaware; and,
- 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 auditors are aware of that information.

**Statement of Trustees Responsibilities**

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and 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 charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

On behalf of the board,



**Mrs. Sharon Bates**
Chair of Trustees 22/7/24

## 2. NORTH DEVON HOSPICE INFORMATION

| | |
|---|---|
| **Status:** The Charity's governing document is its Articles of Association | |
| **Charity number** | 286554 |
| **Company registration number** | 1696150 |
| **Registered office** | North Devon Hospice<br>Deer Park Road<br>Newport<br>Barnstaple<br>Devon<br>EX32 0HU |
| **The Board of Trustees** | Sharon Bates; Chair<br>Mary Brooks – resigned December 2023<br>Dave Cottingham – resigned July 2023<br>Kate Cox – resigned July 2023<br>Rachel Dafforn, Treasurer<br>Glenys Gray<br>Helen Keddie<br>Rachel Loosemore<br>Lisa McCormack<br>Zara Svensson<br>Kevin Underwood<br>Jennifer Wilmott<br>Rob Withecombe – resigned March 2024<br>Andrew Mackenzie-Shapland – April 2024<br>Rob Barrow – April 2024<br>Rachel Withecombe – April 2024 |
| **Chief Executive & Secretary** | Stephen Roberts |
| **Senior Management** | Josephine Dedes, Director of Care<br>Samantha Husband, Director of Finance<br>Cate Oliver, Director of Human Resources and Organisational Development |
| **Auditors** | PKF Francis Clark<br>Centenary House, Peninsula Park<br>Rydon Lane<br>Exeter EX2 7XE |
| **Bankers** | National Westminster Bank<br>41 High Street<br>Barnstaple<br>Devon<br>EX31 1DH |

| | |
|---|---|
| **Solicitors** | Tozers LLP<br>Broadwalk House<br>Southernhay West<br>Exeter<br>EX1 1UA |
| **Pension advisors** | AFH Group<br>AFH House<br>Buntsford Drive<br>Stoke Heath<br>Bromsgrove<br>Worcestershire<br>B60 4JE |
| **Stockbrokers** | Newton Investment Management<br>160 Queen Victoria Street<br>London<br>EC4V 4LA |
| **Patron** | Countess of Arran CVO MBE VLL |
| **Vice Presidents** | John Brend<br>Geoffrey Cox QC<br>Gavyn Davies OBE<br>Sir Nick Harvey<br>Philip Jewell<br>Ron Ley MBE<br>David Morgan<br>Mark Parkhouse DL<br>John Riley<br>The Hon. John Rous DL<br>Lady Stucley<br>David Whitely |

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

## Opinion

We have audited the financial statements of North Devon Hospice (the 'Charitable Company') for the year ended 31 March 2024, which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement, 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 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 and Charitable Company's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources, including 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 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 the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate and that the trustees have disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to

adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

### Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

- 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the strategic report.

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 32, the trustees 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 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Group. We gained an understanding of the sector in which the Group operates as part of this assessment to identify the key laws and regulations affecting the Group. The regulatory environment was discussed with the relevant individuals responsible for compliance and the Group's website was reviewed for indication of any regulations and certification in place. The key regulations we identified were health and safety regulations, CQC regulations and The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that

have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities: Statement of Recommended Practice (SORP).

We discussed with management how the compliance with these laws and regulations in monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Group's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of up to date correspondence with the CQC, CQC website and last inspection report to identify any non-compliance.
- Review of the group's GDPR policy and enquiries to the Data Protection Officer as to the occurrence and outcome of any reportable breaches, confirmed through review the ICO website.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to cash income and expenditure, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud, of which there were none. Based upon our understanding we designed and conducted audit procedures including:

- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the 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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting

one resulting from error, as fraud may involve deliberate concealment, 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

**Neil Hitchings FCA (Senior Statutory Auditor)**
**PKF FRANCIS CLARK**
Chartered Accountants and Statutory Auditor
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date: 24 July 2024

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Consolidated Statement of Financial Activities
## Including Consolidated Income and Expenditure Account
## For the Year Ended 31 March 2024

| | Note | Unrestricted Funds 2024 £ | Restricted Funds 2024 £ | Total Funds 2024 £ | Unrestricted Funds 2023 £ | Restricted Funds 2023 £ | Total Funds 2023 £ |
|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | |
| Legacies & In Memoriam Donations | | 1,724,911 | 3,478 | 1,728,389 | 1,409,168 | 40,000 | 1,449,168 |
| Fundraising & Donations | | 988,593 | 34,193 | 1,022,786 | 753,863 | 56,577 | 810,440 |
| Gifts in Kind | | 175,710 | - | 175,710 | 47,045 | - | 47,045 |
| Charitable activities | | | | | | | |
| Income from supporting Direct Patient Care | | 1,501,201 | - | 1,501,201 | 1,325,973 | - | 1,325,973 |
| Educational Services | | 4,879 | 23,063 | 27,942 | 12,684 | 12,500 | 25,184 |
| Other trading activities | | 2,296,916 | - | 2,296,916 | 2,148,984 | - | 2,148,984 |
| Investments | | 237,273 | - | 237,273 | 178,200 | - | 178,200 |
| Other | | 79,896 | - | 79,896 | 33,761 | 6,190 | 39,951 |
| **TOTAL INCOME** | 3 – 7 | 7,009,379 | 60,734 | 7,070,113 | 5,909,678 | 115,267 | 6,024,945 |
| **EXPENDITURE** | | | | | | | |
| Raising funds | | 2,645,543 | - | 2,645,543 | 2,433,897 | - | 2,433,897 |
| Charitable activities | | | | | | | |
| Supportive Care | | 578,896 | 7,698 | 586,594 | 550,232 | 22,304 | 572,536 |
| Hospice to Home | | 652,215 | 18,000 | 670,215 | 572,478 | 8,839 | 581,317 |
| Community | | 741,509 | 1,000 | 742,509 | 679,327 | 9,000 | 688,327 |
| In Patient Unit | | 2,422,704 | 5,358 | 2,428,062 | 2,210,839 | 43,636 | 2,254,475 |
| Education | | 91,260 | 15,696 | 106,956 | 63,526 | - | 63,526 |
| **TOTAL EXPENDITURE** | 8 | 7,132,127 | 47,752 | 7,179,879 | 6,510,299 | 83,779 | 6,594,078 |
| **NET INCOME / (EXPENDITURE) BEFORE NET GAINS/ (LOSSES) ON INVESTMENTS** | | (122,748) | 12,982 | (109,766) | (600,621) | 31,488 | (569,133) |
| **Net gains / (losses) on investments** | | 436,518 | - | 436,518 | (220,826) | - | (220,826) |
| **NET INCOME / (EXPENDITURE) FOR THE YEAR** | | 313,770 | 12,982 | 326,752 | (821,447) | 31,488 | (789,959) |
| Transfers between funds | 27 | 20,143 | (20,143) | - | 75,054 | (75,054) | - |
| **NET MOVEMENTS IN FUNDS** | | 333,913 | (7,161) | 326,752 | (746,393) | (43,566) | (789,959) |
| **RECONCILIATION OF FUNDS** | | | | | | | |
| **FUNDS BROUGHT FORWARD** | 27 | 13,495,088 | 37,091 | 13,532,179 | 14,241,481 | 80,657 | 14,322,138 |
| **FUNDS CARRIED FORWARD** | 27 | 13,829,001 | 29,930 | 13,858,931 | 13,495,088 | 37,091 | 13,352,179 |

The notes on pages 44 to 63 form an integral part of these financial statements.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Consolidated and Charity Balance Sheet
## For the Year Ended 31 March 2024

| | Note | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 15 | 2,012 | 9,242 | 2,012 | 9,242 |
| Tangible assets | 16 | 3,271,075 | 3,476,156 | 3,271,075 | 3,476,156 |
| Investments | 19 | 7,711,853 | 7,275,335 | 7,797,427 | 7,360,909 |
| | | 10,984,940 | 10,760,733 | 11,070,514 | 10,846,307 |
| **CURRENT ASSETS** | | | | | |
| Stock | 20 | 9,152 | 8,520 | - | - |
| Debtors | 21 | 1,892,934 | 1,401,512 | 1,883,547 | 1,388,679 |
| Cash at bank and in hand | 22 | 1,473,646 | 1,924,726 | 1,464,106 | 1,912,049 |
| | | 3,375,732 | 3,334,758 | 3,347,653 | 3,300,728 |
| **LIABILITIES** | | | | | |
| Creditors: Amounts falling due within one year | 23 | (499,220) | (560,791) | (557,372) | (612,992) |
| **NET CURRENT ASSETS** | | 2,876,512 | 2,773,967 | 2,790,281 | 2,687,736 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 13,861,452 | 13,354,700 | 13,860,795 | 13,534,043 |
| **PROVISIONS** | 25 | 2,521 | 2,521 | - | - |
| **NET ASSETS** | | 13,858,931 | 13,532,179 | 13,860,795 | 13,534,043 |
| **FUNDS** | | | | | |
| **Unrestricted Funds** | | | | | |
| General funds | 27 | 574,693 | 671,486 | 576,557 | 673,350 |
| Investment revaluation reserve | 27 | 2,184,699 | 1,748,181 | 2,184,699 | 1,748,181 |
| Designated funds | 27 | 11,069,609 | 11,075,421 | 11,069,609 | 11,075,421 |
| | | 13,829,001 | 13,495,088 | 13,830,865 | 13,496,952 |
| **Restricted Funds** | 27 | 29,930 | 37,091 | 29,930 | 37,091 |
| **TOTAL FUNDS** | | 13,858,931 | 13,532,179 | 13,860,795 | 13,534,043 |

The profit of the charity for the year ended 31 March 2024 was surplus of £326,752.

The financial statements were approved by the trustees on 22/11/24. and signed on their behalf by:

Sharon Bates

.....

Mrs. Sharon Bates
Chair of Trustees

Company Registration Number: 1696150

The notes on pages 44 to 63 form an integral part of these financial statements.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Consolidated Statement of Cash Flows
## For the Year Ended 31 March 2024

| | Note | 2024 £ | 2023 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net income/(expenditure) for the year | | 326,752 | (789,959) |
| **Adjustments to cash flows from non-cash items** | | | |
| Depreciation charge | 9 | 263,232 | 242,423 |
| Amortisation charge | 9 | 6,995 | 12,330 |
| (Gains)/loss on investments | | (436,518) | 220,826 |
| Dividends and interest from investments | | (237,273) | (178,200) |
| Loss/(profit) on the disposal of fixed assets | 9 | (6,893) | - |
| | | **(83,705)** | (492,580) |
| **Working capital adjustments** | | | |
| (Increase)/decrease in stock | 20 | (632) | 4,010 |
| (Increase)/Decrease in debtors | 21 | (491,422) | 1,123,000 |
| Increase/(decrease) in creditors | 23 | (61,571) | 109,659 |
| **Net cash flows from operating activities** | | (637,330) | 744,089 |
| **Cash flows from investing activities** | | | |
| Dividends and Interest from investments | | 237,273 | 178,200 |
| Payments to acquire intangible fixed assets | | - | - |
| Payments to acquire tangible fixed assets | | (58,774) | (410,283) |
| Proceeds from sale of investments | | - | - |
| Proceeds from sale of fixed assets | | 7,751 | - |
| Payments into investments | | - | (800,000) |
| **Net cash flows from investing activities** | | 186,249 | (1,032,083) |
| **Net decrease in cash and cash equivalents** | | (451,080) | (287,994) |
| **Cash and cash equivalents at 1 April** | 22 | 1,924,726 | 2,212,720 |
| **Cash and cash equivalents at 31 March** | 22 | **1,473,646** | 1,924,726 |

The notes on pages 44 to 63 form an integral part of these financial statements.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2024**

## 1. Company status

The company is a registered charity and a company limited by guarantee incorporated in England and Wales, without share capital. The address of the registered office, and main trading address, is North Devon Hospice, Deer Park Road, Newport, Barnstaple, Devon, EX32 0HU. The guarantors are the members to the extent of £1 each. There were 38 (2023: 38) members at the balance sheet date.

## 2. Accounting policies

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

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

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

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

The accounts are presented in Sterling which is also the functional currency of the group.

### Group financial statements

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary, NDH Ventures Ltd., 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 section 408 of the Companies Act 2006.

### Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the group 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified by the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent assets and disclosed if material.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2024**

## 2. Accounting policies *(continued)*

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

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

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

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

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

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 27.

**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 relates to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services to our patients and their families as well as educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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

## 2. Accounting policies *(continued)*

### Allocation of support costs

Resources expended are allocated to the particular charitable activity where the cost relates directly to that activity. However, other support costs not directly related are 100% allocated to charitable activities based on a combination of headcount, space and discrete charges.

### Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

### Intangible fixed assets and amortisation

Intangible fixed assets, consisting of software, are capitalised at purchase cost and amortised over their useful economic lives. Amortisation costs are allocated to activities on which the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate that their carrying value may exceed their realisable value and value in use.

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

| | |
|---|---|
| Software | 5 years |

### Tangible fixed assets and depreciation

Individual items purchased below £500 are not normally considered as capital expense unless its useful life is greater than 4 years. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their realisable value and value in use.

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

| | |
|---|---|
| Freehold land | Not depreciated |
| Freehold building | 50 years straight line |
| Leasehold property improvements | 5-20 years straight line |
| Fixtures and fittings | 5 years straight line |
| Computer equipment | 5 years straight line |
| Motor vehicles | 5 years straight line |

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2024**

## 2. Accounting policies *(continued)*

### Listed investments

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

The historic cost of investments is calculated on a FIFO basis.

### Investments in subsidiaries

Investments in subsidiaries are initially recorded at cost.

### Stock

Stock is stated at the lower of cost and net realisable value. In general, cost is determined on a 'first in, first out' basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are not valued as the charity would not otherwise have bought them.

### Cash at bank and in hand

Cash at bank and 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 the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

### Pension costs

The group operates a defined contribution pension scheme and contributes into two defined benefit pension schemes. Contributions into the defined contribution scheme are recognised in the statement of financial activities in the period in which they become payable in accordance with the rules of the scheme. Defined benefit pension funds have been accounted for as defined contribution schemes since these are a state plan and a multi-employer scheme, and the group is unable to identify its share of the underlying assets or liabilities of these funds.

## 2. Accounting policies *(continued)*

### Financial instruments

The group only has financial assets and financial liabilities that qualify as basic financial instruments, being investments, trade debtors and trade creditors. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value. Any losses arising from impairment ('doubtful debts') are recognised in the statement of financial activities.

### Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the trustees have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provision is made against specific trade debtors where recoverability is considered doubtful.

Legacy income which is recognisable under the income recognition policy, but has not yet been received, is provided for as accrued income until paid. The accrued income is provided at the level estimated within Probate documentation, less low level provisions for solicitor costs etc.

Key management personnel for the purposes of disclosure are considered to be the trustees and senior management team. The trustees are not remunerated.

The Trustees are satisfied, having considered the current financial position and performance of the charity, that the going concern assessment (which is a critical accounting judgement) remains appropriate. In making this assessment, the Trustees have sensitised their financial forecasts and cash flow projections for the next 12 months (from the date of approval of these financial statements) to take account of reasonably possible changes in funding and income levels, inflationary pressures and increases in utilities, in order to determine when, and to what extent any cost management measures may need to be implemented.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2024

### 3. Income from donations, gifts and legacies

| | Unrestricted £ | Restricted £ | 2024 £ | 2023 £ |
|---|---|---|---|---|
| Legacies & In Memoriam Donations | 1,724,911 | 3,478 | 1,728,389 | 1,449,168 |
| Fundraising & Donations | 988,593 | 34,193 | 1,022,786 | 810,440 |
| Gifts in Kind | 175,710 | - | 175,710 | 47,045 |
| | 2,889,214 | 37,671 | 2,926,885 | 2,306,653 |

Income from donations, gifts and legacies is £2,926,885 (2023: £2,306,653) of which £2,889,214 (2023: £2,210,076) is unrestricted and £37,671 (2023: £96,577) is restricted.

### 4. Income from charitable activities

| | Unrestricted £ | Restricted £ | 2024 £ | 2023 £ |
|---|---|---|---|---|
| ICB Grant | 1,360,327 | - | 1,360,327 | 1,157,204 |
| CHC Funding | 98,224 | - | 98,224 | 128,269 |
| Consultant Support | 42,650 | - | 42,650 | 40,500 |
| Sub-total for Income supporting Direct Patient Care | 1,501,201 | - | 1,501,201 | 1,325,973 |
| Educational Training | 4,879 | 23,063 | 27,942 | 25,184 |
| Total income from charitable activities | 1,506,080 | 23,063 | 1,529,143 | 1,351,157 |

Income from charitable activities is £1,529,143 (2023: £1,351,157) of which £1,506,080 (2023: £1,338,657) is unrestricted and £23,063 (2023: £12,500) is restricted.

### 5. Income from other trading activities

| | Unrestricted £ | Restricted £ | 2024 £ | 2023 £ |
|---|---|---|---|---|
| Shops & Monopoly | 1,675,621 | - | 1,675,621 | 1,503,644 |
| Lottery | 621,295 | - | 621,295 | 645,340 |
| Business Grants | - | - | - | - |
| | 2,296,916 | - | 2,296,916 | 2,148,984 |

Income from other trading activities is £2,296,916 (2023: £2,148,984) of which £2,296,916 (2023: £2,148,984) is unrestricted and £nil (2023: £nil) is restricted.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2024**

## 6. Income from investments

| | Unrestricted £ | Restricted £ | 2024 £ | 2023 £ |
|---|---|---|---|---|
| Dividends | 199,550 | - | 199,550 | 161,041 |
| Deposit Interest | 37,723 | - | 37,723 | 17,159 |
| | 237,273 | - | 237,273 | 178,200 |

Income from investments is £237,273 (2023: £178,200) of which £237,273 (2023: £178,200) is unrestricted and £nil (2023: £nil) is restricted.

## 7. Other Income

| | Unrestricted £ | Restricted £ | 2024 £ | 2023 £ |
|---|---|---|---|---|
| Disposal of Assets | 6,893 | - | 6,893 | - |
| Other | 73,003 | - | 73,003 | 39,951 |
| | 79,896 | - | 79,896 | 35,951 |

Income from investments is £79,896 (2023: £35,951) of which £79,896 (2023: £33,761) is unrestricted and £nil (2023: £6,190) is restricted.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2024

### 8. Analysis of expenditure

| | Cost of raising funds £ | Supportive care £ | Hospice to Home £ | Community £ | In Patient Unit £ | Education £ | Governance costs £ | Support costs £ | 2024 Total £ | 2023 Total £ |
|---|---|---|---|---|---|---|---|---|---|---|
| Staff costs | 1,268,762 | 342,234 | 476,897 | 534,989 | 1,454,305 | 57,892 | - | 957,631 | 5,092,710 | 4,723,648 |
| In Patient Unit | - | - | - | - | 237,881 | - | - | - | 237,881 | 236,125 |
| Community | - | - | - | 31,335 | - | - | - | - | 31,335 | 25,427 |
| Supportive Care | - | 51,447 | - | - | - | - | - | - | 51,447 | 37,954 |
| Education | - | - | - | - | - | 8,240 | - | - | 8,240 | 2,397 |
| Hospice to home | - | - | 43,381 | - | - | - | - | - | 43,381 | 37,452 |
| Fundraising Activities | 241,524 | - | - | - | - | - | - | - | 241,524 | 153,269 |
| Shops | 495,559 | - | - | - | - | - | - | - | 495,559 | 512,069 |
| Lottery & Sheppard's | 141,566 | - | - | - | - | - | - | - | 141,566 | 134,582 |
| Facilities & Premises | - | - | - | - | - | - | - | 154,251 | 154,251 | 180,603 |
| Catering | - | - | - | - | - | - | - | 41,687 | 41,687 | 22,506 |
| House Keeping | - | - | - | - | - | - | - | 14,984 | 14,984 | 12,967 |
| Finance & IT | - | - | - | - | - | - | 17,775 | 105,053 | 122,828 | 109,681 |
| Administration | - | - | - | - | - | - | 7,094 | 45,555 | 52,649 | 37,977 |
| Communication | - | - | - | - | - | - | 11,667 | 130,279 | 141,946 | 83,158 |
| Human Resource | - | - | - | - | - | - | - | 37,664 | 37,664 | 29,510 |
| Depreciation | 21,231 | - | - | - | - | - | - | 248,996 | 270,227 | 254,753 |
| | 2,168,642 | 393,681 | 520,278 | 566,324 | 1,692,186 | 66,132 | 36,536 | 1,736,100 | 7,179,879 | 6,594,078 |
| Support Costs | 475,319 | 183,374 | 140,038 | 170,033 | 728,636 | 38,699 | - | (1,736,100) | - | - |
| Governance costs | 1,582 | 9,539 | 9,899 | 6,152 | 7,240 | 2,125 | (36,536) | - | - | - |
| **Total expenditure** | 2,645,543 | 586,594 | 670,215 | 742,509 | 2,428,062 | 106,956 | - | - | 7,179,879 | 6,594,078 |
| Total expenditure 2023 | 2,433,897 | 572,536 | 581,317 | 688,327 | 2,254,475 | 63,526 | - | - | 6,594,078 | - |

Of the total expenditure, £7,132,751 was unrestricted (2023: £6,510,299) and £47,750 was restricted (2023: £83,779).

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2024

### 9. Net incoming resources for the year

This is stated after charging / crediting:

| | 2024 £ | 2023 £ |
|---|---|---|
| Amortisation | 6,995 | 12,330 |
| Depreciation | 263,232 | 242,423 |
| Loss/(profit) on disposal of fixed assets | (6,893) | - |
| Operating lease rentals: | | |
| Property | 210,404 | 198,146 |
| Other | 36,776 | 40,003 |

### 10. Auditor's remuneration

| | 2024 £ | 2023 £ |
|---|---|---|
| The analysis of auditor's remuneration is as follows: | | |
| Audit fees | 15,484 | 11,615 |
| Accountancy services | - | 1,485 |
| Tax compliance services | 866 | 600 |
| | 16,350 | 13,700 |

### 11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

| | 2024 £ | 2023 £ |
|---|---|---|
| Salaries and wages | 4,410,700 | 4,092,279 |
| Employer's National Insurance | 389,910 | 372,157 |
| Employer's contribution to defined contribution pension schemes | 292,100 | 259,212 |
| | 5,092,710 | 4,723,648 |

The following number of employees received employee benefits (excluding pension costs) during the year between:

| | 2024 | 2023 |
|---|---|---|
| £60,000 - £69,999 | 1 | 3 |
| £70,000 - £79,999 | 3 | 2 |
| £80,000 - £89,999 | 0 | 1 |
| Over £90,000 | 1 | 0 |

The total employee benefits including pension contributions of the key management personnel were £337,618 (2023: £322,888).

The charity trustees were not paid, or received any other benefits, from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Trustees' expenses were £nil in both the current and prior year.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2024

### 12. Staff numbers

The average number of employees was:

| | Average 2024 No. | FTE 2024 No. | Average 2023 No. | FTE 2023 No. |
|---|---|---|---|---|
| Fundraising Activities | 53 | 40 | 51 | 38 |
| Direct Care | 85 | 60 | 82 | 59 |
| Education | 3 | 1 | 2 | 1 |
| NDH Ventures | 1 | 1 | 1 | 1 |
| Support | 45 | 35 | 42 | 33 |
| | 187 | 137 | 178 | 132 |

### 13. Related party transactions

There are no related party transactions to disclose for 2024 (2023: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

### 14. Taxation status

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 11 Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The charity's trading subsidiary NDH Ventures Limited gift aids available profits to the parent charity. Its charge to corporation and deferred tax in the year was £nil (2023: £nil).

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2024**

## 15. Intangible fixed assets

### Group and company

| | Software £ | Total £ |
|---|---|---|
| **Cost** | | |
| As at 1 April 2023 | 176,748 | 176,748 |
| Disposals | (2,054) | (2,054) |
| As at 31 March 2024 | 174,694 | 174,694 |
| **Depreciation** | | |
| As at 1 April 2023 | 167,506 | 167,506 |
| Charge for the Year | 6,995 | 6,995 |
| Disposals | (1,819) | (1,819) |
| As at 31 March 2024 | 172,682 | 172,682 |
| **Net book value** | | |
| As at 31 March 2024 | 2,012 | 2,012 |
| As at 31 March 2023 | 9,242 | 9,242 |

## 16. Tangible fixed assets

| Group | Land & Buildings £ | Fixtures and fittings £ | Computer equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As at 1 April 2023 | 4,451,099 | 1,016,383 | 328,110 | 114,133 | 5,909,725 |
| Additions | - | 33,509 | 25,265 | - | 58,774 |
| Disposals | - | (15,046) | (24,410) | (56,014) | (95,470) |
| As at 31 March 2024 | 4,451,099 | 1,034,846 | 328,965 | 58,119 | 5,873,029 |
| **Depreciation** | | | | | |
| As at 1 April 2023 | 1,539,298 | 540,467 | 242,670 | 111,134 | 2,433,569 |
| Charge for the Year | 92,304 | 132,746 | 35,183 | 2,999 | 263,232 |
| Disposals | - | (14,423) | (24,410) | (56,014) | (94,847) |
| As at 31 March 2024 | 1,631,602 | 658,790 | 253,443 | 58,119 | 2,601,954 |
| **Net book value** | | | | | |
| As at 31 March 2024 | 2,819,497 | 376,056 | 75,522 | - | 3,271,075 |
| As at 31 March 2023 | 2,911,801 | 475,916 | 85,440 | 2,999 | 3,476,156 |

Included in Land and Buildings is leasehold property with a carrying value of £453,749, with the balance being freehold. Land with a carrying value of £175,729 (2023: £175,729) is included in freehold property and is not depreciated. All of the above assets are used for charitable purposes.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2024

### 16. Tangible fixed assets *(continued)*

| Charity | Land & Buildings £ | Fixtures and fittings £ | Computer equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As at 1 April 2023 | 4,451,099 | 1,016,383 | 328,110 | 114,133 | 5,909,725 |
| Additions | - | 33,509 | 25,265 | - | 58,774 |
| Disposals | - | (15,046) | (24,410) | (56,014) | (95,470) |
| As at 31 March 2024 | 4,451,099 | 1,034,846 | 328,965 | 58,119 | 5,873,029 |
| **Depreciation** | | | | | |
| As at 1 April 2023 | 1,539,298 | 540,467 | 242,670 | 111,134 | 2,433,569 |
| Charge for the Year | 92,304 | 132,746 | 35,183 | 3,000 | 263,232 |
| Disposals | - | (14,423) | (24,410) | (56,014) | (94,847) |
| As at 31 March 2024 | 1,631,602 | 658,790 | 253,443 | 58,120 | 2,601,954 |
| **Net book value** | | | | | |
| As at 31 March 2024 | 2,819,497 | 376,056 | 75,522 | - | 3,271,075 |
| As at 31 March 2023 | 2,911,801 | 475,916 | 85,440 | 2,999 | 3,476,156 |

Included in Land and Buildings is leasehold property with a carrying value of £453,749, with the balance being freehold. Land with a carrying value of £175,729 (2023: £175,729) is included in freehold property and is not depreciated. All of the above assets are used for charitable purposes.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2024

### 17. Trading subsidiary

#### NDH Ventures Ltd.

The charitable company owns the whole of the issued ordinary share capital of NDH Ventures Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

A summary of its results is shown below:

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Turnover | 664,928 | 687,438 |
| Cost of Sales | (138,939) | (134,548) |
| Gross Profit | 525,989 | 552,890 |
| Administrative Expenses | (75,992) | (73,419) |
| Other operating income | - | - |
| Profit on Ordinary Activities | 449,997 | 479,471 |
| Taxation | - | - |
| Profit for the financial year | 449,997 | 479,471 |
| Gift aid paid to parent undertaking under deed of covenant | 449,997 | 479,471 |

The aggregate of the assets, liabilities and funds were:

| | | |
|---|---|---|
| Assets | 152,846 | 154,876 |
| Liabilities | (69,137) | (71,167) |
| | 83,709 | 83,709 |

### 18. Parent charity

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

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Gross income | 6,848,288 | 5,816,979 |
| Result for the year | 326,752 | (789,959) |

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2024

### 19. Investments

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|
| Fair value at the start of the year | 7,275,335 | 6,696,161 | 7,360,909 | 6,781,735 |
| Additions at cost | - | 800,000 | - | 800,000 |
| Disposal proceeds | - | - | - | - |
| Net (loss)/gain on change in fair value | 436,518 | (220,826) | 436,518 | (220,826) |
| | 7,711,853 | 7,275,335 | 7,797,427 | 7,360,909 |
| Historic cost at the end of the year | 5,527,153 | 5,527,153 | 5,612,727 | 5,612,727 |

Investments comprise:

| | 2024 £ | 2023 £ | 2024 £ | 2023 £ |
|---|---|---|---|---|
| UK Common investment funds | 7,711,853 | 7,275,335 | 7,711,853 | 7,275,335 |
| Unlisted shares in subsidiary undertaking Incorporated in the UK | - | - | 85,574 | 85,574 |
| | 7,711,853 | 7,275,335 | 7,797,427 | 7,360,909 |

Investments representing over 5% by value of the portfolio (group and charity) comprise:

| | 2024 £ | 2023 £ |
|---|---|---|
| BNY MELLON – Newton SRI Fund for Charities | 6,913,690 | 6,470,523 |
| BNY MELLON – Sustainable Global Dynamic Bond Fund | 798,163 | 804,812 |

### 20. Stock

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|
| Finished goods for resale | 9,152 | 8,520 | - | - |

### 21. Debtors

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|
| Trade Debtors | 111,293 | 27,474 | 111,293 | 27,474 |
| Other Debtors | 39,745 | 54,287 | 39,745 | 54,287 |
| Prepayments | 198,248 | 186,012 | 188,861 | 173,179 |
| Accrued income | 1,543,648 | 1,133,739 | 1,543,648 | 1,133,739 |
| | 1,892,934 | 1,401,512 | 1,883,547 | 1,388,679 |

## 22. Analysis of cash and cash equivalents

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|
| Cash in hand | 12,713 | 15,827 | 12,713 | 15,827 |
| Cash at bank | 1,460,933 | 1,908,899 | 1,451,393 | 1,896,222 |
| | 1,473,646 | 1,924,726 | 1,464,106 | 1,912,049 |

| Analysis of net funds | Opening £ | Cash flow £ | Closing £ |
|---|---|---|---|
| Total cash | 1,924,726 | (451,080) | 1,473,646 |

## 23. Creditors: Amounts falling due within one year

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|
| Trade Creditors | 121,620 | 185,584 | 121,620 | 185,584 |
| Amounts due to group undertakings | - | - | 124,767 | 120,847 |
| Other taxes and social security | 89,735 | 84,611 | 89,735 | 84,611 |
| Accruals | 158,965 | 145,590 | 158,965 | 145,590 |
| Deferred income (Note 24) | 128,900 | 145,006 | 62,285 | 76,360 |
| | 499,220 | 560,791 | 557,372 | 612,992 |

## 24. Deferred income

Deferred income comprises of Fundraising Events income, where events will take place in the future year, and Lottery income, where draws will take place in the future year.

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|
| Balance Brought Forward | 145,006 | 110,083 | 76,360 | 28,203 |
| Amount released to income in the year | (145,006) | (110,083) | (76,360) | (28,203) |
| Amount deferred in the year | 128,900 | 145,006 | 62,285 | 76,360 |
| Balance Carried Forward | 128,900 | 145,006 | 62,285 | 76,360 |

## 25. Provisions – deferred tax

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|
| Balance Brought Forward | 2,521 | 2,521 | - | - |
| Increase in provision in the year | - | - | - | - |
| Balance Carried Forward | 2,521 | 2,521 | - | - |

## 26. Pension schemes

***Defined benefit pension schemes***

***NHS pension scheme***

The company 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 £160,195 (2023: £134,287).

Contributions amounting to £21,369 (2023: £19,661) were payable to the Fund at 31 March 2024 and are included in other creditors.

***Defined contribution pension scheme***

***AEGON pension scheme***

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £131,905 (2023: £124,924).

Contributions amounting to £20,777 (2023: £19,180) were payable to the Fund at 31 March 2024 and are included in other creditors.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2024**

## 27. Statement of funds

| Group | As at 1 April 2023 £ | Income £ | Expenditure £ | Gains/ (Losses) Transfers £ | As at 31 March 2024 £ |
|---|---|---|---|---|---|
| **Unrestricted Funds:** | | | | | |
| **Designated Funds:** | | | | | |
| Buildings and assets | 3,485,398 | - | - | (212,311) | 3,273,087 |
| Risk based reserve | 2,850,000 | - | - | 102,000 | 2,952,000 |
| Income Generation Diversification | 600,000 | - | - | - | 600,000 |
| H2H Service Provision | 1,193,313 | - | (422,054) | 131,201 | 902,460 |
| Strategy Service Provision Organisational Development 21-26 | 2,681,411 | - | (644,221) | 962,834 | 3,000,024 |
| Strategy Digital Development & Innovation 21-26 | 265,299 | - | (14,149) | 90,888 | 342,038 |
| **Total designated funds** | 11,075,421 | - | (1,080,424) | 1,074,612 | 11,069,609 |
| **Revaluation reserve** | 1,748,181 | - | - | 436,518 | 2,184,699 |
| **General funds** | 671,486 | 7,445,897 | (6,051,703) | (1,490,987) | 574,693 |
| **Total unrestricted funds** | 13,495,088 | 7,445,897 | (7,132,127) | 20,143 | 13,829,001 |
| **Restricted Funds:** | | | | | |
| Patient services | 14,649 | 24,640 | (32,867) | - | 6,422 |
| Education | 12,500 | 19,349 | (12,797) | - | 19,052 |
| Long House | 2,088 | - | (2,088) | - | - |
| Capital other | 7,854 | 16,745 | - | (20,143) | 4,456 |
| **Total restricted funds** | 37,091 | 60,734 | (47,752) | (20,143) | 29,930 |
| **Total funds** | 13,532,179 | 7,506,631 | (7,179,879) | - | 13,858,931 |

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2024

### 27. Statement of funds *(continued)*

**Comparative**

| Group | As at 1 April 2022 £ | Income £ | Expenditure £ | Gains/ (Losses) Transfers £ | As at 31 March 2023 £ |
|---|---|---|---|---|---|
| **Unrestricted Funds:** | | | | | |
| **Designated Funds:** | | | | | |
| Buildings and assets | 3,329,869 | - | - | 155,529 | 3,485,398 |
| Risk based reserve | 2,850,000 | - | - | - | 2,850,000 |
| Income Generation Diversification | 600,000 | - | - | - | 600,000 |
| H2H Service Provision | 1,530,681 | - | (328,832) | (8,536) | 1,193,313 |
| Strategy Service Provision Organisational Development 21-26 | 2,944,423 | - | (711,967) | 448,955 | 2,681,411 |
| Strategy Digital Development & Innovation 21-26 | 271,096 | - | (5,797) | - | 265,299 |
| **Total designated funds** | 11,526,069 | - | (1,046,596) | 595,948 | 11,075,421 |
| **Revaluation reserve** | 1,969,007 | - | - | (220,826) | 1,748,181 |
| **General funds** | 746,405 | 5,688,852 | (5,463,703) | (300,068) | 671,486 |
| **Total unrestricted funds** | 14,241,481 | 5,688,852 | (6,510,299) | 75,054 | 13,495,088 |
| **Restricted Funds:** | | | | | |
| Patient services | 15,888 | 82,540 | (83,779) | - | 14,649 |
| Education | - | 12,500 | - | - | 12,500 |
| Long House | 2,088 | - | - | - | 2,088 |
| Capital other | 62,681 | 20,227 | - | (75,054) | 7,854 |
| **Total restricted funds** | 80,657 | 115,267 | (83,779) | (75,054) | 37,091 |
| **Total funds** | 14,322,138 | 5,804,119 | (6,594,078) | - | 13,532,179 |

### Purposes of restricted funds

Patient services are funds received to support the delivery of our services.

Long House represents funds received for the running costs of The Long House outreach centre in Holsworthy.

Other capital funds are funds received for specific capital projects.

### Purposes of designated funds

Buildings and asset reserve is to match the net book value of hospice assets at Deer Park, Westcombe Lane, and at the Long House which cannot be used without being sold.

Risk based reserve is to cover the financial impact of the main risks to the charity.

Income Diversification reserve, it is anticipated that these funds will be invested in the next 12 months on a project which will see an additional regular sustainable income stream on an annual basis.

## 27. Statement of funds *(continued)*

H2H Service Provision provides hands on nursing care to patients in their own homes with complex healthcare conditions, the teams focus being to keep patients at home and avoid unnecessary hospital admissions. Recognising the huge importance of the vital service, trustees have set aside funds to ensure that a minimum level of service can be provided over the next 5 years.

Strategy 2021-2026: Service Provision and Organisational Development, this amount relates to the specific elements of the 5-year plan to further improve services that enhance the support to our patients and their families. We wish to be even more responsive to their changing needs and ensure that we have the staff in place with the appropriate skills to support this.

Strategy 2021-2026: Digital Development and Innovation - this fund supports the digital and innovation part of our strategy. Including initiatives such as digital tap and go donations, improving patient access via digital technology and further digital fundraising activities.

Investment revaluation reserve is a fund equal to the revaluation of investments to market value at the balance sheet date, which has not been realised.

### Charity

For the purpose of section 408 of the Companies Act 2006, the net movement of funds for the Company is a surplus of £326,752 (2023: £789,959). Total funds brought forward were £13,532,179 (2023: £14,322,138). Total funds carried forward were £13,858,931 (2023: £13,532,179).

## 28. Analysis of group net assets between funds

| At 31 March 2024 | General Funds £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible & Intangible Fixed Assets | - | 3,273,087 | - | 3,273,087 |
| Investments | - | 7,711,853 | - | 7,711,853 |
| Other Assets | 574,693 | 2,269,368 | 29,930 | 2,873,991 |
| | 574,693 | 13,254,308 | 29,930 | 13,858,931 |

| At 31 March 2023 | General Funds £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible & Intangible Fixed Assets | - | 3,485,398 | - | 3,485,398 |
| Investments | - | 7,275,335 | - | 7,275,335 |
| Other Assets | 671,486 | 2,062,869 | 37,091 | 2,771,446 |
| | 671,486 | 12,832,602 | 37,091 | 13,532,179 |

There are sufficient resources available, held in an appropriate form, to enable restricted and designated funds to be applied in accordance with restrictions imposed.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2024

### 29. Operating lease commitment

#### Group and Charity

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Less than one year | 109,099 | 92,263 |
| One to five years | 198,592 | 224,973 |
| Over five years | 313,750 | 320,755 |
| | 621,441 | 637,991 |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £247,180 (2023: £238,149)



# YOUR LIFE'S A STORY. THE ENDING MATTERS.

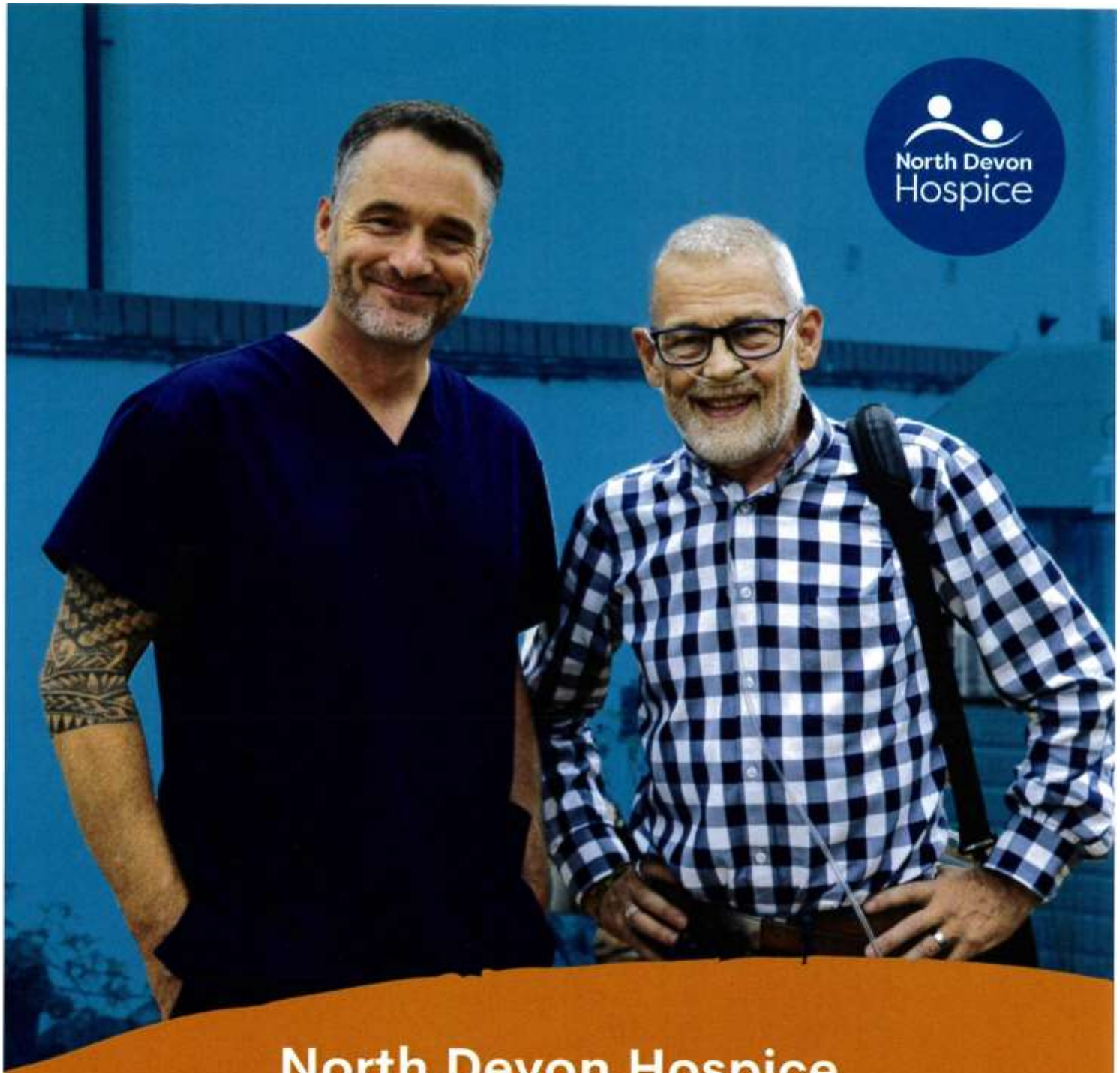
Registered charity number 286554

North Devon Hospice

**NORTH DEVON HOSPICE**

England & Wales - Charity number 286554

# Accounts



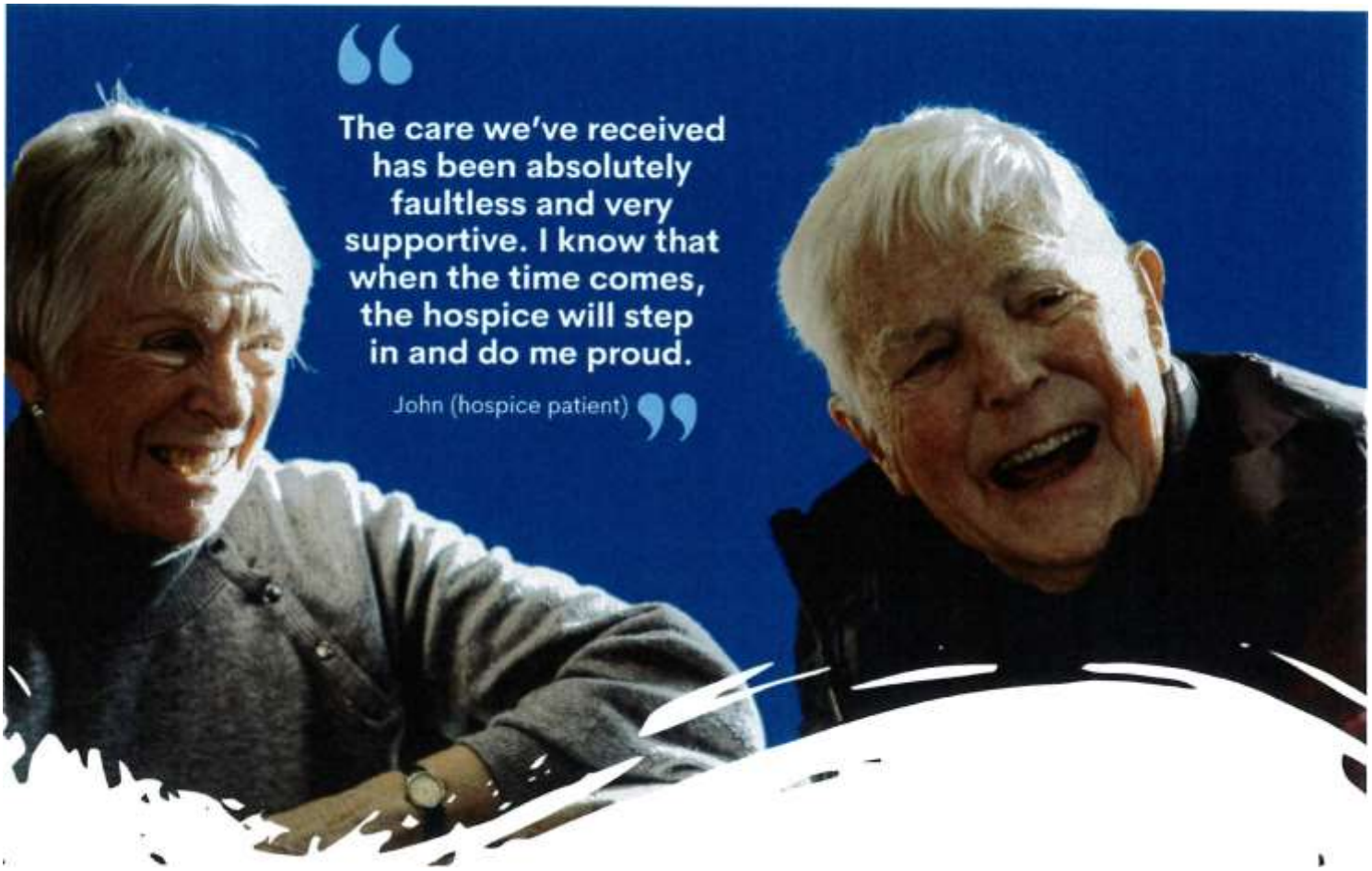

# North Devon Hospice

# Trustees Report 2022-2023

Registered Charity No 286554

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# Our Appreciation

We believe your life is a story, and the ending matters.

North Devon Hospice's mission is to provide outstanding care and support to the community of North Devon who are impacted by a life-limiting illness. We can only achieve this together with you. It is your individual donations, business support, fundraising events, lottery memberships, gifts in wills and trust grants that enable us to be there for all the family.

In choosing to support us you are in fact making sure that death is as dignified and pain-free as possible for thousands of people. On their behalf, thank you.

# Chief Executive's Review



In last year's report I wrote: "l do believe that the next 12 months will be more challenging than the last." This turned out to be true. 2022/23 saw a perfect storm for North Devon Hospice. Our costs went up, our income fell whilst at the same time the demand for our care increased. This is all reflected within the numbers that you will see in this report.

Increases in energy costs, fuel costs, food costs as well as salary increases to remain competitive in the employment market have all taken their toll on our bottom line. This has been compounded by a drop in income as we had to cancel our main fundraising event Nightwalk due to Queen Elizabeth's death as well as a sharp drop in donations given the current economic climate. We had also hoped to have made further progress with NHS Devon in financially recognising the substantial role played by our Hospice to Home team in the in the healthcare system. Whilst we took an active involvement in the NHS Devon's End of Life Care Commissioning review where there was acknowledgement of the importance of the service, this has not manifested itself into commissioning support. Therefore, this remains, charitably funded.

That said, we continue to utilise five-year financial scenario planning to be able to manage these storms and more than that, still ensure that not only does our care continue but that it remains responsive to the changing needs of our patients and families both now and in the future. Nothing personifies this more than the refurbishment of our bedded unit in Barnstaple. Designed with future patient needs in mind, the 7 bedded unit saw a full refurbishment which has enhanced the patient environment. The aim was to make it feel less clinical whilst enabling more services to be provided to patients and their loved ones. In addition, the changes will support us being able to care for more complex patients as well as creating a better working space for our staff. This was only made possible through careful financial planning and the support of many generous donors grant making organisations and philanthropic trusts.

In addition, our care teams continue to see very high caseloads of increasing complexity, as the population live longer but with multiple conditions that need to be managed at end of life. We continue to support our colleagues in the NHS where we are continually looking for opportunities to achieve better patient outcomes. The best example of this came during the winter pressures. We reached out to our colleagues in the South West Ambulance Trust to tell them that if they were to be called out to an end of life patient known to the hospice, then they should ring us first to see if we can bring the patient straight to our bedded unit or deploy our Hospice to Home team to keep the patient at

home rather than ending up in the Emergency Room at North Devon District Hospital.

Of course, as ever, none of this could be achieved without our dedicated staff who even in the face of increasing demand, have never wavered in putting the patient first. Moving forward we will continue to positively engage with the community that we have the privilege to serve. In so doing harnessing their vital support to ensure that we get through the storm and continue to be there for all the family when they need us the most. Your life is a story and the ending matters.



Mr. Mr. Stephen Roberts St phen Roberts
Chief Executive Office



# Chair's Review

I am proud to be able to report how well the hospice has managed throughout the last 1 2 months under significant financial pressure and with increasing demands on the service. The provision of care and support to patients and their families has continued and grown, which is in line with our aim to be there for the people that need us at the time they need us.

You will see in this report that there have been a number of achievements and developments during the year.

I would like to take this opportunity to thank all the hospice staff who have continued to give their all and do an amazing job, often going over and above and treating everyone as an individual with their own hopes and needs. Thank you also to all the volunteers who continue to give the hospice many hours of support. It is great that post pandemic we are now able to get all the volunteers fully back in the various roles they play as the hospice would not be able to deliver the service and care it does without them.

The Board of Trustees continues to be committed to the hospice and we have been fortunate to recruit new Trustees in the last 12 months who compliment the skills of the board. This gives us a strong, multi skilled and dedicated board working alongside the Senior Management Team to maintain the success of the hospice now and for the future.

We have our 5 year strategy through to 2026 in place to help us focus on the priorities for the hospice, these include financial impact and working with NHS Devon on the need for commissioning/funding for some of our clinical services, fundraising opportunities, further development of patient care and staff wellbeing.

We can only do any of this with the support, donations and fundraising of the local community and you continue to do this year after year and we are so grateful. You make this all possible. Thank you.



Mrs. Sharon Bates
Chair of the Board of Trustees

# Our Mission and Strategic Objectives

# Charitable Mission

To provide outstanding care and support to the community of North Devon who are impacted by a life limiting illness.

# Strategy

We have now completed year 3 of our 5 year strategy. It is pleasing to see that we have gained good momentum in seeking to achieve the objectives. In so doing we can be assured that ultimately North Devon Hospice is being successful and that we are able to provide the care and support that is needed by the community that we serve.

## I. Be there for everyone who needs us by providing outstanding care

Key Impact in 2022/23:

- We cared for 1,817 (2021/2022 1,657) people across North Devon
- Our Community Clinical Nurse Specialists made 2,663 visits across the whole of North Devon (2021/22 2,522) supporting 1,132 people (2021/22 1,043)
- Our Hospice to Home team made 1 1 visits to our patients homes (2021/22 5,490) spending 3,244 hours supporting our patients to remain at home (2021/22 3, 1 84)
- Our Bedded Unit cared for 92 complex patients (202 1/22 80)
- Our Supportive Care team cared 1026 people (2021122 939)



## 2. Walk arm in arm with every healthcare partner who, in working with them, will enhance our patient care

Key Impact in 2022/23:

- Be part of the NHS Devon Commissioning Steering Committee who completed a Devon-wide End of Life Care Commissioning Review.
- Working with our colleagues at South West Ambulance Trust to establish a patient pathway which allows for a paramedic who is on a call to an end of life patient to convey them to our

bedded unit rather than hospital or seek support from our Hospice to Home team to keep the patient at home.

- Supporting both Rapid Intervention Centre and North Devon District Hospital's Pathfinder to avoid unnecessary admissions and to support speedier discharges respectively



## 3. Enhance End of Life Care Across North Devon Through Education

Key Impact in 2022/2023:

- We successfully recruited a new Clinical Practice Educator o We have commenced our external education courses which targets initially community nurses o We continue to support a record number of nursing students, trainee GP's and hospital doctors in completing placements on our bedded unit



## 4. Nurture Content, Engaged, Skilled & Fulfilled Staff

- Key Impact in 2022/2023:

Having run the pilot on hybrid working for a year and following consultation with our staff, it is clear that this supports a good worldlife balance and as such will now be formally adopted. Therefore, our staff have the opportunity to work from home for maximum of 3 days a week where the service allows

- In supporting our pay policies principle of being fair, simple and transparent, we have completed an external benchmark against all job descriptions. In so doing we can be assured that our pay remains fair and competitive
- We have now completed 5 Cohorts of leadership development training. Therefore nearly 50 of our staff across the organisation have completed the course • We continue to deliver on our wellbeing plan to support the physical and mental health of all of our staff



## 5. Embrace Our Volunteering Community & Encourage You To Become Part Of It

Key Impact in 2022/23:

- The last 12 months has seen a very strong recruitment period. We have had nearly 1 00 new volunteers join the team
- A successful trustee recruitment campaign has led to the appointment of 3 new trustees to the board including a local
- In recognition of outstanding service, we had two of our volunteers represent our volunteering body at the Queen's Garden Party held at Buckingham Palace last summer as well as one of our volunteers being awarded the League of Mercy Award

## 6. Embrace Technology To Enhance Our Care

Key Impact in 2022/23:

- We continue to gain both time and financial efficiencies through the continued automation of a lot of our historic paper based procedures. The most successful of which this year has been our automated purchasing and invoice approval system
- We have successfully renewed Cyber Essentials certification despite increase in requirements to obtain this
- We have updated and successfully published our DSP Toolkit to maintain HSCN connection with the NHS
- In partnership with Petroc (Centre of Technology and Innovation Excellence) we have undertaken detailed 360 degree photos of the gardens (Phase I) to increase visibility of the Hospice and make it more accessible online through Google maps/ street view. On the back of the refurbishment of the Bedded Unit we have also created a virtual tour of the unit to give future patients a clear understanding on what a lovely environment the unit is. In so doing, hopefully removing some of the misperceptions and fear that they may have had about being admitted.



## 7. Be Financially Stable To Continue To Be There For All The Family

Key Impact in 2022/23:

- Our total income this year was ".02 million a reduction of E3 1 5k from the previous year (2021/22 E6.34m)
- Our total operating deficit was '569k (2021122 surplus was £I 14k)
- We used reserves of E790k during the year bringing our reserves down to El 3.5 million (2021/22 El 4.2m)

## 8. Ensure That The Relationship We Have With The Community We Serve Inspires And Mobilises People To Support North Devon Hospice's Mission

Key Impact in 2022/23:

- The last year saw North Devon Hospice achieve the highest amount of media coverage in our history at both a local, national and international level. This was due to a combination of the coverage of Max Woosey's (A Boy In The Tent) reaching his final night in the tent after three years, Jade Kingdom's triathalon achievements and us articulating the impact of the cost of living crisis to the charity sector
- We have grown our social media followers by over 5k
- Our newsletter focussed heavily this year on care stories. As such we had a record donation response raising 1 5k

# Your Impact

## Your Clinical Care

We have a clear mission: To provide outstanding care and support to the community of North Devon who are impacted by a life limiting illness. Each and every staff member and volunteer are driven to achieve this. In so doing, this year has seen some fantastic enhancements to our care which are shared in more detail below. With the demands on the NHS at a precedented level, we have seen our role in supporting the wider system also increase. We continue to play our role in ensuring that end of life patients do not unnecessarily end up being admitted into hospital and indeed can be safely discharged home again as soon as possible. Good examples of this has been the patient pathway we are developing with South West Ambulance Service Trust (SWAST). During the recent winter pressures, we reached out to SWAST to suggest that if they respond to a call out where the patient is end of life and known to the hospice, then ring us first. In so doing the patient could then be potentially transferred directly to our bedded unit or we could deploy our Hospice to Home team to support the patient to remain at home.

| Hospice Services Provision | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|---|---|
| Number of new referrals: | 1,179 | 1 ,395 | 1,449 | 1 ,439 | 1,144 | 1,243 | 1,431 |

## Your Bedded Unit

This last year saw us close the bedded unit for only the second time in it's seventeen year history. This planned closure enabled us to refurbish the entire unit. Whilst recognising that this is a specialised medical unit, we do our utmost to ensure that the environment does not feel clinical, more boutique hotel if we can. To this extent, this refurbishment enabled us to achieve this and more:

- New bathroom's which are less clinical in look and feel and enable better access
- New LED lighting that allow for softer zonal lighting controlled remotely ▪ New built in storage which allow for more of the patient's personal possessions to be stored and displayed. The key feature though is that all supporting medical equipment such as hoists and oxygen supply is stored behind the units ▪ Additional office space for nurses
- Training room for nurses
- "On unit" quiet room to support upset family members
- Feature lighting in reception to brighten the entrance
- New entrance for easier ambulance access

The closure also enabled us to upskill the staff to provide more services on the bedded unit. In so doing we can now avoid the need to transfer patients from the hospice to the hospital and back again for certain treatments such as IV anti-biotics.

Thanks to your support we have cared for 92 people (2021 /22; 80) this year.







# Your Community Specialist Palliative Care Nursing

Our clinical nurse specialists (CNS) supported 1,132 (1,043 in 2021/22) people to die where they wanted; in their own home. Covering one of the largest rural areas in England, geography was not and never is a factor to access our care with our nurses travelling over 70,000 miles to make 2,663 (2,522 in 2021 /22) visits to patients.

As specialists in end of life care our clinical nurse specialists also have a crucial role in supporting other healthcare professionals in providing quality end of life care across North Devon. In so doing the team responded to nearly 3,000 calls for specialist input from them.

The year saw the team continue to hold an unprecedented high caseload. This is even after last year's investment into the team of an additional CNS.

# 1,132

Number of patients supported by our CNS team



> The service we received was exceptional. We would not have coped with the last weeks of Dad's life without you. Words cannot express our gratitude.

## Your Hospice to Home

Hospice to Home provided 3,244 (2021/22 3, 1 84) hours in support of our patients and their families 24hrs a day, 365 days of the year.

The Hospice to Home team continues to be heavily relied upon by other healthcare teams to ensure that patients can avoid an unnecessary hospital admission, expedite discharge home after a hospital stay as well as the ultimate goal of fulfilling patient's wishes to die at home. Where this happens the ramifications of this are huge for both the patient and their family.

The service is designed and best placed to provide rapid response care rather than planned care in the form of Continuing Health Care packages. It is in the scenario of a crisis or rapid response that the team has the most impact. This is particularly true when working with our colleagues in the Rapid Intervention Centre, SWAST or indeed Pathfinder team at North Devon District Hospital. For this to be sustained, we need commissioning support from the Devon Integrated Care Board.



> Cannot speak highly enough of the nurses who came daily to look after my brother. They were all fantastic, worth their weight in gold! You are all wonderful.

# Your Long House

This year saw the full return of all services being held at the Long House. This included:

- counselling
- Patient group support
- Carer group support
- Complementary therapy
- Community Nurse Specialist outpatient appointments.

In addition, we continue to host the bi monthly Gold Standard Framework meetings at The Long House with our local GP practice as well as the local community nursing team. Other professionals actually coming into the building and experiencing The Long House environment and therapy rooms has definitely increased awareness of what the hospice can offer to palliative patients and their families.

# Your Supportive Care

When a patient is diagnosed with a terminal illness, it is not just their life that changes forever but also their families. The emotional journey that our patients and their families go on sees many peaks and troughs. It is through walking shoulder to shoulder with them during these times that we truly live our motto of "being there for all the family".

This resonates in every aspect of this service, with taster sessions for all family members as well as support targeted to younger family members through a programme called "At The Moment."

With the retirement of two longstanding members of the team but the successful appointment of a new head of the service from within the team, Supportive Care have coped admirably with a very large case load. In 2022/23 the team supported I ,026 people (939 in 2021/22). This is in the face of a substantial increase in referrals to the team as well, 1 ,43 1 in 2022/23 (1,243 in 2022/23).





# Your Clinical Education

Palliative medicine is a specialism. End of life care, whilst everyone's business in the healthcare system, is also a specialism. Therefore, this year it was good news that we successfully recruited a new Clinical Practice Educator who has spent most of their career as a District Nurse. With this post fulfilled we have now been able to invite external healthcare partners onto our courses. We have seen district nurses in particular take up this offer. In addition we continue to increase the number of nursing degree level, T-level and medical school placements at the hospice. 2023 will see us now formalise our external education programme.

# Your Feedback

To provide continued outstanding care to the patients and families that we are privileged to look after, we must ensure that our care meets the needs of the people we serve. We are here for you and only because of you. To ensure that our care is responsive to the ever changing needs of our patients and their families, we place significant emphasis on engaging with our beneficiaries to seek feedback. In so doing we ensure that there is continued improvement in everything that we do. To ensure that this feedback is independent and confidential, we utilise a third party platform called iwantgreatcare.org. Through this we know that in the 2022/23 North Devon Hospice received 45 reviews and have an overall maximum rating of 5 stars. What was particularly satisfying this year was to be awarded a Certificate of Excellence by iwantgreatcare.org in recognition of our outstanding patient care.




www.iwantgreatcare.org

# Certificate of Excellence Winner

# Our Volunteers






As ever, without the time that our volunteers give to the hospice we would not be able to provide the level of service that we provide to patients, carers and family members. With Covid in the rear-view mirror, it was a particularly busy year recruitment wise with over 1 00 new volunteers joining us in roles across the organisation ranging from gardening to patient facing, administration to retail.

What was particularly satisfying was to see two of our longer serving volunteers enjoy their day at the Queen's Garden Party in the summer of 2022 to celebrate the honour of winning the Queen's Award for Volunteering. We were also pleased to see that another of our long serving volunteers was recognised for her outstanding contribution. Audrey Isaac was awarded the League of Mercy Award at Mansion House by kind permission of the Rt Hon The Lord Mayor of London.

Our volunteer numbers now sit just under 400 which is back to pre-Covid levels. There is not a single facet of North Devon Hospice that can function without our volunteers, as such, we are indebted to their generosity, dedication and passion.

# Our Staff



The outstanding care that our patients and their families receive is only made possible by our staff. Therefore, as in every year, we have proactively looked to support, engage, listen, develop and nurture our teams. In so doing make North Devon Hospice a happy, and fulfilling place to work. With this in mind in 2022/23 we:

- Rolled out Healthroster and Webrecruit across the whole organisation, completing our HR technology projects and process redesign to make our HR support function more user friendly, agile and effective
- Launched our new Employee Handbook and an Induction Handbook which, rather than being a lost of policies and procedures, encourages people to be themselves and ask questions
- Through the twice yearly vision sessions we have completed a staff engagement exercise looking at how we live our core competencies and demonstrate these in our day to day work. We also hold focus discussions with staff on personal and work-related stress, what support we can offer staff and also to get feedback from staff in designing a Wellbeing Fayre for later in the year.
- We continued running our Leadership Development and HR skills training for current and new leaders
- As part of our Wellbeing Strategy we continued to run Wellbeing Wednesday articles with supporting resources added to our Wellbeing page on our intranet. In support of our Pay Framework being fair and transparent, we completed a significant project to re-benchmark all roles and review all job descriptions making adjustments to both where needed
- Internally promoted 6 members of staff into line management roles.
- Completed the pilot on our Hybrid working model. In so doing we will now formally offer a flexible working model which allows for staff to work from home three days of the week should they so wish, as well as flexible working hours in recognition of other life factors.

# What we want to achieve

2022/23 saw us enter the third year of our five year strategy which sets out to achieve the following objectives:

l. Be there for everyone who needs us by providing outstanding end of life care
2. Walk arm in arm with every healthcare partner, to ensure local people receive the best care at the right time, in the right place
3. Provide education opportunities for the health care workforce to enhance end of life care in any setting
4. Nurture content, engaged and fulfilled employees and volunteers
5. Embrace our volunteering community and inspire people to get involved.
6. Invest in technology to enhance our care
7. Have an inspired and motivated relationship with the community we serve
8. Be financially stable in order to continue being there for all the family.

In the next 12 months our key priorities will be:

1. Work with NHS Devon to get Hospice to Home commissioned
2. Roll out Schwartz Rounds which is a structured forum where all staff, clinical and non-clinical regularly come together to discuss the emotional and social aspects of working in an end of life environment
3. Increase income from our Retail division

4. Develop a new website
5. Diversify our income

# Our Governance

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As we are only able to provide our care thanks to the community that we serve, we are

morally as well as regulatory duty bound to ensure that every single pound raised is used in the most effective way. We need to ensure that the organisation, to continue to exist, to continue to thrive and to continue to be there for all the family utilises all of our resources in the most impactful way. Effective Governance is at the heart of this. Overall responsibility for our governance lies with the 12 trustees who, alongside the Senior Management team of 4, made up of the Chief Executive, Director of Care, Director of Finance, Director of Human Resources & Organisational Development, make up the Board. The Board of Trustees meets 4 times a year. At each board meeting the organisation's strategic objectives, annual budget and top risks are formally reviewed, challenged and agreed. In addition, the Chief Executive and the Senior Management Team report on performance, compliance, risks and opportunities in the hospice. In support of

effective governance there are 4 sub-committees who in turn are supported by two working groups. This is structured as follows:

## North Devon Hospice Governance Structure




- The Corporate Governance Committee: Meeting four times a year, this focuses on matters of governance, regulation including health and safety, audit and risk. In addition the Care Quality Working Group reports into this committee. North Devon Hospice's risk register would also be reviewed at this committee before being presented to the Board. Under the umbrella of this committee a new committee called the Nominations Committee was established to cover all recruitment responsibilities relating to new trustees and the Chief Executive on behalf of the Board

- The Strategic Development Committee: Meeting twice a year, this considers how the hospice is performing against the strategic plan

- The Finance and HR Committee: Meeting four times a year, this reviews the financial performance of the organisation against both budgets and reserves and considers whether the hospice has the resources to achieve its aims and objectives. The committee receives the report from our statutory external auditors who attend the meeting annually
- Income Generation & Innovation Committee: For North Devon Hospice to remain financially stable and best place to support our patients and families it is essential that

we are sustainable financially and as efficient and as effective as an organisation as possible. To give this the appropriate level of focus this committee ensures that North Devon Hospice is maximising its income generation opportunities and remains as innovative as possible.

To further support these committees, working groups are in place to ensure a more detailed scrutiny of key areas which includes:

- Care Quality Working Group: To enhance the already existing focus on patient care, the Care Quality Working Group ensures effective clinical governance and audit

- Trustee Working Group: This working group is attended by the Board of Trustees and the Senior Management Team. This open forum is an opportunity to discuss and explore any particular topic in more detail. In this year the group met to carry out a deep dive on our income and investments as well as reviewing the issues of equality, diversity and inclusion for North Devon Hospice.

# Risk Management

Effective risk management empowers North Devon Hospice to thrive and succeed as an organisation.

To achieve this, North Devon Hospice's risk management seeks to ensure that the entire risk profile of the organisation (both strategic as well as operational) is effectively identified and where possible managed.

North Devon Hospice defines risk as: "The threat that an event, action or failure to act will adversely affect North Devon Hospice's ability to achieve its objective, capture opportunities or to deliver its aims to the required standards"

North Devon Hospice defines risk management as: "The proactive identification, evaluation, control and continued monitoring of those risks that threaten the assets, people, patients or reputation of North Devon Hospice"

North Devon Hospice has in a place a Risk Committee, Chaired by the Chief Executive and includes the Director of Finance, Head of Facilities as well as the Quality Lead. This committee meets throughout the year to review the departmental risk registers and the strategic risk register before then being able to create the North Devon Hospice Top 5 Risks Register. A tailored risk assessment criteria which allows for risks to be scored across several criteria such as reputational impact, financial impact and service interruption is used to prioritise the risks identified.

The Current Top 5 Risks to the success of North Devon Hospice's are:

| Risk: | |
|---|---|
| Inability to fund people resource | Review<br>2. H2H service review<br>3. Actively seeking diversification of income<br>4. FR and retail income streams closely reviewed |
| Macro-economic conditions | 1. Continue to promote the benefits and value that the hospice provide<br>2. Promote the need for continued financial support to us as a local charity<br>3. Additional fundraising events planned for financial year 2023/2024<br>4. To increase reach and increase digital presence |
| Inability to secure required funding | 1. EOL Funding review with commissioners<br>2. Continued pressure on HUK to cover future NHS pension costs. |
| No Palliative Care Consultant | 1. Proactive recruitment campaign for Palliative Care Consultant without responsibility as Medical Director<br>2. Recruitment commenced for a Locum post as well<br>3. Full Page advert placed in Hospice UK Conference brochure |
| Key Risk Action Plan | 1. Devon ICB EOL Commissioning |

It is against these top risks that the Board of Trustees are able to establish a clear line of sight on the levels the organisation should hold within its risk reserves.

## Senior Management Team Remuneration

The Board of Trustees are responsible for setting remuneration levels for the charity's senior staff. The key objective for North Devon Hospice is to ensure that our approach is to offer fair pay to attract and keep appropriately qualified staff to lead, manage, support and/or deliver our objectives. In deciding Senior Management Team remuneration, as a Board of Trustees we have considered:

- The purposes, aims and values of the charity and its beneficiary needs
- How this remuneration impacts on the overall pay policy for all employees and for the Senior Management team in particular

• The types of skills, experiences and competencies that North Devon Hospice needs from its Senior Management team, the specific scope of these roles and the link to pay • The charity's strategic plan and how the implementation of this plan may affect the number of senior staff the charity needs to employ or recruit and the nature of these roles

• The charity's ability to pay. This includes the cost to the charity of raising pay, whether it is sustainable, how appropriate the level of pay is, and any pay increase, is in the context of the charity, as measured against the needs of its charitable purposes and beneficiaries • The board's assessment of the charity's performance and the Senior Management Team's performance against expectations, in both short and long term

• Appropriate available information on pay policies and practices in other organisations that can inform the decision on whether a level of pay is fair and reasonable. This has been achieved through using Association of Chief Executives of Voluntary Organisations, as well as National Council for Voluntary Organisations as well as looking at other hospices, charitable organisations and the private sector.

In addition to the above and in accordance with the Statement of Recommended Practice (SORP) North Devon Hospice, within our audited and published annual report and accounts, discloses the number of employees whose remuneration exceeds {60,000.

Therefore with a Senior Management Team pay scale established and with the performance of the Senior Management Team formally reviewed on an annual basis against set objectives, the Trustees of North Devon Hospice are satisfied that there is appropriate, robust, transparent and fair remuneration in place for its Senior Management Team. This is particularly true this year following the organisation wide pay benchmarking exercise that was carried out in support of our own Pay Framework. Which led to the roll out a new spot salary model. The Senior Management Team's pay formed part of this review.

# Annual Financial Report

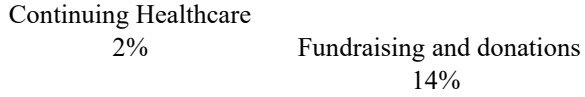
- We continue to manage our finances to ensure that we are best placed to deliver high quality services to our patients and their families, both now and in the future ▪ This year we incurred an operating deficit of {569k, added to this was a negative revaluation of investments of 021k (2021 /22 {302k positive) which meant that we used reserves of {790k during the year, bringing our reserves down to El 3.5 million (2021/22 [14.2m)
- The financial results are detailed in the Consolidated Statement of Financial Activities on page 37 of the report
- In the year we saw a significant increase of 7.8% in our charitable expenditure as we strive to react to our patient's needs. Our total expenditure for the year rose to {6.594m (2021/22 {6.057m) an increase of 8.9% as we increased the number of patients we cared for by 9.7%
- We faced the perfect storm of increased demand for our services, income dropping and our costs increasing. In particular increasing energy costs, fuel, food costs and salary increases to ensure we remain competitive in the market place ▪ We continue to look at our financial modelling over the next 5 years to ensure that we have suitable reserves to deliver both our current services and also extend these services as outlined in our strategy. Having reviewed this they are comfortable about our going concern

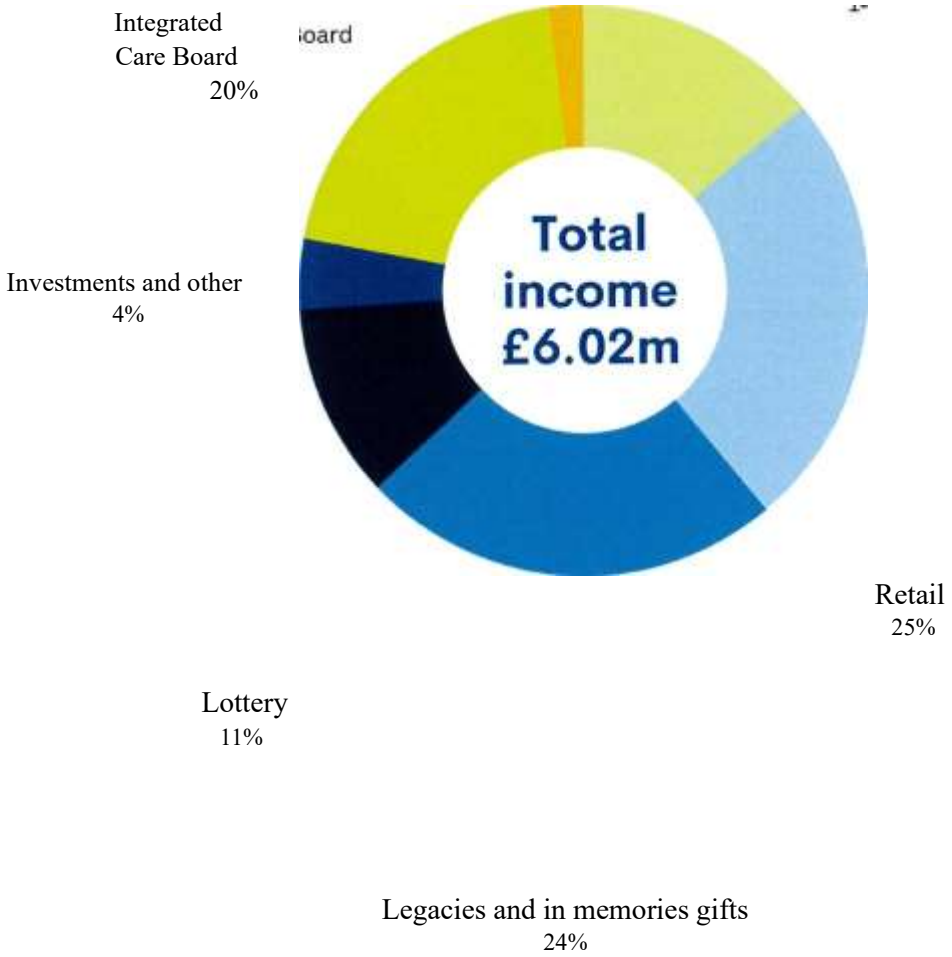
position and that we have both a sufficient risk based reserve and designated reserves to ensure we achieve our strategic objectives

- All our services are supplied free of charge to those with a progressive life limiting illness as well as to their families and carers. Last year we supported 1 7 people across North Devon. Whilst we receive some funding from the NHS, we need to raise more than {5.3 million each year from our supporters.

## Income

- Total income this year was {6.02 million a reduction of {3 1 5k from the previous year (2021/22 {6.34m). There were a number of factors influencing this
- In memoriam donations totalled 238k (2021/22 {784k): this is a significant reduction on the previous year, when we were supported by Max the 'Boy in The Tent', our In memoriam donations are now back to average levels
- Legacy income did increase to El .2million in the year [369k better than previous year (202 1 /22 {842k). We are always very conscious of the fact that legacy income is unpredictable, and as such we always err on the side of caution when planning for this type of income
- This year has seen significant growth in our retail income of El .5 million which is up 20.2% on last year. Nationally charity retail grew by 14.6% last year according to the Charity retail association, so we are pleased that locally we have made better growth
- Lottery income became more challenging with attritions rates increasing as people look to reduce their outgoings, however we achieved a total income of {645k (2021/22 {647k)
- During the year we had to postpone Nightwalk our flagship walking event to the following financial year, this reduced the amount of income raised by our own fundraising events. The team therefore sought other income opportunities which meant income raised by fundraising and gifts in kind remained constant at {857k. We continue to see increased competition from both local and national charities, this alongside the cost of living crisis makes raising income challenging
- Our annual grant from NHS Devon increased by {19k (l .7%), to El. 1 53m. That grant contributes to the running of our Bedded Unit and our Community Nurse Specialists in the community. Our Hospice to Home service is in part funded through Continuing Healthcare (CHC) income of El 28k (2021/22 El 29k), with the remainder supported from reserves that we have specifically designated to cover the cost of this service.



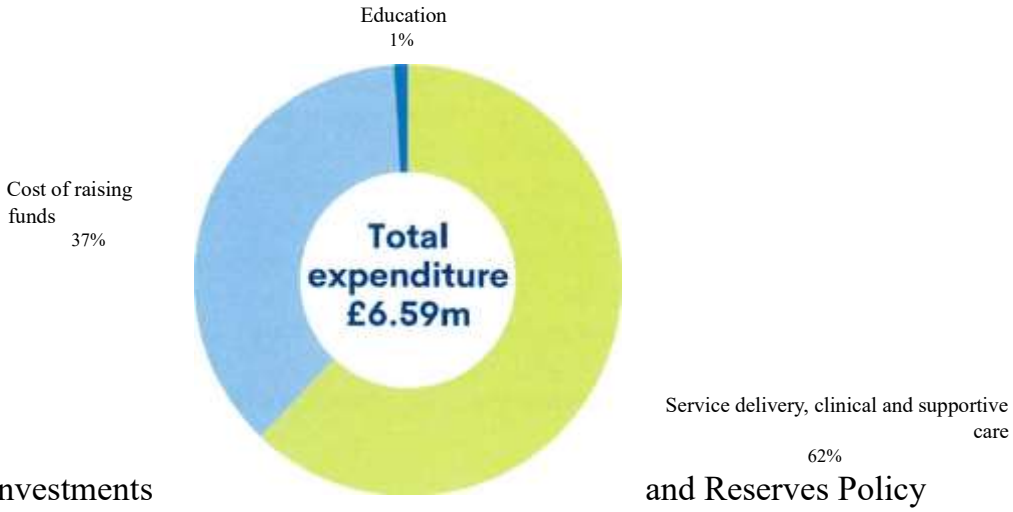



## Expenditure

- Expenditure for the year totalled {6.594million (2021/22 {6.056m). Of this expenditure {84k (2021 /22 {437k) was paid for from restricted income, which is where the donor specifies the use
- The cost of raising funds totalling 0.4 million (2021 /22 Q.24million) has increased as we have increased our activities particularly with in retail. With income up 20.2 % in retail, we have invested in a clothes hanging system in our central warehouse which reduces the time from donation receipt to displaying items for sale in our shops. Expenditure in retail has increased by 9% to El .4 million reflecting increases in cost of living for both employment costs and running costs. Towards the end of the financial year, we engaged Skyline Business Services to provide an independent view of how we could increase profitability within retail. Working with the newly appointed Head of Retail we are confident we can increase this year's profit of {76k (2021/22 Loss of El 6k) further
- Expenditure on charitable activities increased this year to {4.16 million (2021 /22 {3.82 million) this is in part due to ever increasing costs pressures, but also because we are finding the specialist needs of our patients are more demanding. As patient acuity increases with more complex and comorbidity illnesses the ratio of specialist staff to support our patients increases too. This year again saw an increase in the

number of beneficiaries we were able to support: 1,817 (2021 /22 I ,657) during the year

- Capital expenditure this financial year totalled {410k, an increase of 057k from the previous year. The majority of this expenditure was in relation to the complete refurbishment of our bedded unit. Each of our 7 rooms with ensuite bathrooms were redesigned to make them feel as homely as possible. The rooms were redesigned to ensure that all clinical equipment was hidden to give the rooms a more relaxed feel. Hoists and medical gas pipes were built in carefully designed bedroom furniture in order that they can't be seen until needed and even then, they are still carefully disguised. The ensuites were redesigned to ensure there was easier access for patients with mobility issues who would need assistance from nurses to use the facilities. The feedback from everyone has been phenomenal and had made a very positive impact on our beneficiaries' experiences
- The charity has a wholly owned trading subsidiary called NDH Ventures Ltd. The trading activities of this company are the hospice lottery and the sale of bought in goods through our shops. The profit for this company of {479k is gifted to the charity (2021/22: {484k)




## Investments and Reserves Policy

- The hospice has a policy which seeks to ensure that, not only are investments made ethically, but that the investment strategy precludes investing in any company whose principal activities have an adverse impact on the underlying beneficiaries of the hospice
- The main areas of investment exclusion are those companies who have involvement in the manufacture or sale of weapons specifically landmines, cluster bombs, weapons of mass destruction, and chemical weapons or similar, or derive more than 10% of their turnover from tobacco or alcohol products, or provide no evidence of response to allegations of severe damage to ecosystems, natural habitats or populations of species i.e. biodiversity (for high and medium risk issues), or those who have breached a discharge consent for a Red list substance in the last three years or provided no evidence of response to allegations of breaches of core International Labour Organisation standards on child labour or forced labour in its own or its supply chain operations, or derive more than 10% of its turnover from the extraction of thermal coal, tar sands or oil shale. Any investment that initially passes the above

tests, but then subsequently fails would be sold within the shortest reasonable period of time

- Newton Investment Management are appointed to manage the investment portfolio, their objectives are to achieve a balanced return from income and capital growth over the long-term
- At the beginning of this financial year our investment portfolio was valued at [6.7 million (2021/22 {5.64m). During the year we added an additional {800k (2021/22 {750k) to the portfolio due to cash being received from legacies
- At the end of this year we had a negative investment revaluation of f-22 1 k (202 1 /22 {302k positive). This decrease has been offset to reserves, specifically the designated reserve which was set aside to offset any such losses. This is further detailed below. The portfolio at the end of the year was valued at 0.3m million (2021/22 {6.7m)
- We hold cash both in our current account for working capital purposes and in several deposit accounts. The total cash holding at year end was El .9million (2021/22 2.2m) which is stated after cash of {800k was transferred to investments
- The Finance and HR Committee measures the performance of our portfolios against various benchmarks. Quarterly reports are received from our brokers and The Board of Trustees meet with them annually.
- As part of effective financial management and forward financial planning, trustees review the level of reserves held on a regular basis. Trustees look forward over the next 5 years and consider various scenarios which could affect our income or cost base. For example, considering the impact of a significant drop in legacy income, which is always an area of great uncertainty, or what is happening in the external environment which may affect our cost base or our ability to raise income. Specifically in setting the level of reserves the following steps are taken;

## I. Identifying any reserves which are restricted

Restricted funds can only be used for the purposes specified. These restrictions can be created because of the wording of a public appeal, through the terms of an award granted or the use may be specified by the donor.

## 2. Identifying functional assets

The trustees consider the fixed assets to be essential to the delivery of the charity's aims therefore the cost of such assets can be designated and excluded from the calculation of reserves.

## 3. Understanding the impact of risk

When setting the level of reserves the trustees look at the risks and uncertainties facing the charity. This is done by reviewing the top risks to the organisation and attributing a value to them. In doing this the trustees consider the different types of income stream, any vulnerability around sudden or unforeseen decline in a particular income source. Furthermore, they consider the agreement in place for NHS funding and whether income is likely to be affected by the general economic situation, as well as the strength in relationship between the hospice, its donors and financial supporters. It then looks at its cost base and considers what risks there are to increased costs in working, for example is there a skills shortage in a particular area or will changes in demographic put a greater burden on services, what are the changing needs of our beneficiaries, and are we meeting demand.

The trustees believe that the risk based reserve set last year of 2.85 million is still an appropriate level, for normal risks facing the organisation.

## Restricted reserves

The total value of restricted reserves is {37k as of 3 1st March 2023 (2021/22: {81 k) which is identified as follows:

- Patient services — 5k (2021 /22: 6k) of reserves are restricted for the further enhancement of services delivered to patients and will be used in accordance with the donors' wishes
- Education - f- 1 2.5k (2021 /22: {0k) of reserves specifically for clinical education purposes
- Capital Projects — {7k (2021 /22: {62k) has been restricted for capital projects relating to improvements predominantly to support patient areas {75k was used during the year to support the bedded unit refurbishment in line with donor wishes
- The Long House — (2021/22: 2k) relates specifically to the projects at The Long House, our outreach centre in Holsworthy.

## Designated Reserves

The trustees have identified the need for the following designated reserves:

- Building and Assets — as previously stated the trustees consider fixed assets essential to the delivery of the charity's aims, as such a fund equal to the net book value of hospice fixed assets, which cannot be used to fund expenditure without being sold has been set aside. This year saw an increase in this fund of El 55k (2021/22: decrease {75k) being the net of additions in the year and the annual cost of depreciation

- Investment Reserve — the charity holds {7.3million (2021/22 {6.7 million) in investments, a fund is held equal to the revaluation of investments to market value at the balance sheet date which have not been realised. This year saw a decrease in this fund of {221 k (2021 /22): increase {302k), bring the reserve to El.7million (202 1/22 El .97m)

- Risk Based Reserve — as previously described the Trustees review as part of the risk management and financial planning process the level of reserves to cover the financial impact of the main risks to the charity including exposure to changes in income or expenditure. This year the fund remained at 2.85m (2021122: 0.85m)

- Income Diversification — the trustees have identified the need to incur expenditure in order to establish an alternative sustainable source of income in addition to our current income streams. Having reviewed the reserve, it is to remain at {600k

- Hospice to Home — recognising the huge importance of our Hospice to Home team who provide hands on nursing in patients homes, the trustees have set aside funds equivalent to the cost of the service for five years, whilst we continue to work with the Integrated Care Board (ICB) to find sustainable funding for this service. We have used {329k (2021/22 [304k)

of funds to support Hospice to Home this year. This leaves a fund of El .2 million to provide this service, without any further growth in the team, over the next 3 years

- Strategy 2021-2026 — we launched the new 5 year strategy in 2021. The strategy was refined in light of the COVID pandemic and reviewed taking into account future needs. A number of key projects and milestones have been identified to achieve this strategy, as a result the trustees reviewed these designated funds to support the strategy moving forward.
- Service Provision and Organisational Development- we used {712k of the funds this year to support both the cumulative effect of our pay model to ensure that staff are paid no less than 5% below the market median for their roles, thus ensuring that we are able to attract and retain the highly skilled staff we need to sustain and develop our services. As well as for funding the refurbishment of the Bedded Unit patient rooms and ensuites Additional funds of {449k have been added to this reserve to support the ongoing strategy. The total fund at the end of the year to support our strategy through to 2026 is f-2.7 million (2021/22 Q.994 m). As we look to further develop services to enhance the support to our patients and their families and be more responsive to their changing needs

- Digital Development and Innovations- during the year ending March 2023 we utilised {6k of this fund (2021/22 [5k) The funds of Q65k (2021/22: 071 k) will be used to support further digital development and innovation as identified in our strategy, including initiatives such as digital tap and go donations, improving patient access via digital technology particularly for those in remote locations and improved education access via podcasts and webinars

General unrestricted, undesignated funds amounted to {671 ,486 (2022: {746,405).

## Statement as to disclosure of information to auditors

In so far as the trustees are aware:

- There is no relevant audit information of which the charity's auditors are unaware; and
- 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 auditors are aware of that information.

## Statement of Trustees Responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and 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 charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the trustees are required to: Select suitable accounting policies and then apply them consistently

- Make judgments and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the charity, and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. On behalf of the board,

Mrs. Sharon Bates
Chair of Trustees



# 2.North Devon Hospice Information

| | |
|---|---|
| Status: The Charity's governing document is its Articles of Association | |
| Chari number | 286554 |
| Company registration number | 1696150 |
| Registered office | North Devon Hospice<br>Deer Park Road<br>Newport<br>Barnstaple<br>Devon<br>EX32 OHU |
| The Board of Trustees | Sharon Bates; Chair<br>Mary Brooks<br>Dave Cottingham<br>Kate Cox<br>Rachel Dafforn, Treasurer (appointed I st August 2022)<br>Glenys Gray (appointed 22nd March 2023)<br>Helen Keddie (appointed 29th November 2022)<br>Rachel Loosemore<br>Lisa McCormack<br>Zara Svensson<br>Kevin Underwood<br>Jennifer Wilmott<br>Rob Withecombe |
| Chief Executive & Secreta | Stephen Roberts |

| | |
|---|---|
| Senior Management | Josephine Dedes, Director of Care<br>Samantha Husband, Director of Finance<br>Cate Oliver, Director of Human Resources and Organisational Development |
| Auditors | PKF Francis Clark<br>Blackbrook Gate I<br>Blackbrook Business Park<br>Taunton TAI 2PX |
| Bankers | National Westminster Bank<br>41 High Street<br>Barnstaple<br>Devon<br>EX31 IDI-I |
| Solicitors | Tozers LLP<br>Broadwalk House<br>Southernhay West<br>Exeter<br>EXI Il-JA |
| Pension advisors | Davisons Financial Management<br>Lime Court<br>Pathfields Business Park<br>South Molton North<br>Devon<br>EX36 3LH |
| Stockbrokers | Newton Investment Management<br>1 60 Queen Victoria Street<br>London<br>EC4V 4LA |
| Patron | Countess of Arran MBE DL |

| | |
|---|---|
| Vice Presidents | John Brend<br>Geoffrey Cox QC<br>Gavyn Davies OBE<br>Sir Nick Harvey<br>Philip Jewell<br>Ron Ley MBE<br>David Morgan Mark Parkhouse DL<br>John Riley<br>The Hon. John Rous DL<br>Lady Stucley<br>David Whitely |

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

## Opinion

We have audited the financial statements of North Devon Hospice (the 'Charitable Company') for the year ended 3 1 March 2023, which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement, 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 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 and Charitable Company's affairs as at 3 1 March 2023 and of the Group's incoming resources and application of resources, including 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 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 the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate and that the trustees have disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

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.

## Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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;

- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the strategic report.

## Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 30, the trustees 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 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Group. We gained an understanding of the sector in which the Group operates as part of this assessment to identify the key laws and regulations affecting the Group. The regulatory environment was discussed with the relevant individuals responsible for compliance and the Group's website was reviewed for indication of any regulations and certification in place. The key regulations we identified were health and safety regulations, CQC regulations and The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities: Statement of Recommended Practice (SORP).

We discussed with management how the compliance with these laws and regulations in monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Group's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of up to date correspondence with the CQC, CQC website and last inspection report to identify any non-compliance.

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

- Review of the group's GDPR policy and enquiries to the Data Protection Officer as to the occurrence and outcome of any reportable breaches, confirmed through review the ICO website.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to cash income and expenditure, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud, of which there were none. Based upon our understanding we designed and conducted audit procedures including:

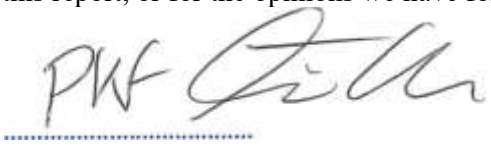
- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the 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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)
PKF FRANCIS CLARK
Chartered Accountants and Statutory Auditor Blackbrook Gate I Blackbrook Business Park
Taunton
Somerset TAI 2PX
Date: 28/7/23

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Consolidated Statement of Financial Activities
Including Consolidated Income and Expenditure Account
For the Year Ended 3 1 March 2023

| | Note | Unrestricted Funds 2023 | Restricted Funds 2023 | Total Funds 2023 | Unrestricted Funds 2022 | Restricted Funds 2022 | Total Funds 2022 |
|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | |
| Legacies & In Memoriam Donations | | I ,409, 1 68 | 40,000 | I ,449, 168 | | | |
| Fundraising & Donations | | 753,863 | 56,577 | 810,440 | 782,637 | 39,130 | 82 1 ,767 |
| Gifts in Kind | | 47,045 | - | 47,045 | 36,345 | - | 36,345 |
| Charitable activities | | | | | | | |
| Income from supporting Direct Patient Care | | | - | 1,325,973 | | | |
| Educational Services | | 12,684 | 12,500 | 25, 184 | 4, 130 | | 4, 130 |
| Other trading activities | | 2, 148,984 | - | 2,148,984 | | | |
| Investments | | 178,200 | | 178,200 | 137,570 | | 1 37,570 |
| Other | | 33,76 1 | 6, 1 90 | 39,95 1 | 20,283 | 389,0 1 5 | 409,298 |
| **TOTAL INCOME** | 3 _ 7 | 5,909,678 | 1 15,267 | 6,024,945 | 5,9 1 1,453 | 428, 145 | 6,339,598 |
| **EXPENDITURE** | | | | | | | |
| Raising funds | | 2,433,897 | - | 2,433,897 | 2,240,529 | - | 2,240,529 |
| Charitable activities | | | | | | | |
| Supportive Care | | 550,232 | 22,304 | 572,536 | 542,636 | 10,098 | 552,734 |
| Hospice to Home | | 572,478 | 8,839 | 581,317 | 435,826 | 102,299 | 538, 125 |
| Community | | 679,327 | 9,000 | 688,327 | 499,884 | 107,390 | 607,274 |
| In Patient Unit | | 2 ,210,839 | 43,636 | 2,254,475 | 070 | 217,290 | 2,06 ,360 |
| Education | | 63,526 | - | 63,526 | 56,959 | - | 56,959 |
| **TOTAL EXPENDITURE** | 8 | 6 ,5 10,299 | 83,779 | 6,594,078 | 5,6 19,904 | 437,077 | 6,056 |
| **NET INCOME / (EXPENDITURE) BEFORE NET GAINS/ (LOSSES) ON INVESTMENTS** | | (600,621) | 3 1 ,488 | (569, 1 33) | 29 1 ,549 | (8,932) | 282,6 1 7 |
| Net gains / (losses) on investments | | (220,826) | - | (220,826) | 301 ,587 | | 301 ,587 |
| **NET INCOME / (EXPENDITURE)** | | | | | | | |

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| FOR THE YEAR | | (82 1 ,447) | 3 1 ,488 | (789,959) | 593,136 | (8,932) | 584,204 |
| Transfers between funds | 27 | 75,054 | (75,054) | | 36,827 | (36,827) | |
| NET MOVEMENTS IN FUNDS | | (746,393) | (43,566) | (789,959) | 629,963 | (45,759) | 584,204 |
| RECONCILIATION OF FUNDS | | | | | | | |
| FUNDS BROUGHT FORWARD 27 | | 14,24 1 ,48 1 | 80,657 | 4.322 | 18 | 126,416 | 13,73 |
| FUNDS CARRIED FORWARD | 27 | 13.495 | 37,091 | 3.352.179 | 14,24 | 80,657 | 14,322, 138 |

The notes on pages 40 to 59 form an integral part of these financial statements.

## Consolidated and Charity Balance Sheet
For the Year Ended 3 1 March 2023

| | Note | Group 2023 | Group 2022 | Charity 2023 | Charity 2022 |
|---|---|---|---|---|---|
| FIXED ASSETS | | | | | |
| Intangible assets | 15 | 9,242 | 21,573 | 9,242 | 21,573 |
| Tangible assets | 16 | 3,476, 156 | 3,308.296 | 3,476, 156 | 3,308,296 |
| Investments | 19 | 7,275,335 | 6,696, 161 | 7,360,909 | 6.7 |
| | | 10,760,733 | 10.026.030 | 307 | 1 0, 1 1 1,604 |
| CURRENT ASSETS | | | | | |
| Stock | 20 | 1,401,512 | 8,520 | 1,388,679 | |
| 12,530 | | 1,924,726 | | 1,912,049 | |
| Debtors 212.518,368 Cash at bank and in hand 222,201 ,448 | | | | | |
| | | 3,334,758 | 4.7 | 3,300,728 | 4 7 9 8 16 |
| LIABILITIES | | | | | |
| Creditors: Amounts falling due within one year | 23 | (560,791) | (45 1 , 1 32) | (6 1 2,992) | (507,4 1 6) |

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)

| | | | | | |
|---|---|---|---|---|---|
| NET CURRENT ASSETS | | 2,773,967 | 4,298,629 | 2,687,736 | 4 212,400 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 13,354,700 | 14,324,659 | 13,534,043 | 14,324,004 |
| PROVISIONS | 25 | 2,521 | 2,52 1 | | |
| NET ASSETS | | 1 3,532, 179 | 1 4,322, 1 38 | 13,5 | 14,324,004 |
| FUNDS | | | | | |
| Unrestricted Funds | | | | | |
| General funds | | 671,486 | 746,405 | 673,350 | 748,271 |
| Investment revaluation reserve | 27 | 1,748,181 | 1,969,007 | 1,748,181 | 1,969,007 |
| Designated funds | 27 | 11,075,421 | 11,526,069 | 11,075,421 | 11,526,069 |
| | | 13,495,088 | 14,241,481 | 13,496,952 | 14,243,347 |
| Restricted Funds | 27 | 37,091 | 80,657 | 37,091 | 80,657 |
| TOTAL FUNDS | | 1 3,532, 179 | 14,322, 138 | 13,5 | 14,324,004 |

The profit of the charity for the year ended 31 March 2023 was deficit of {789,959.

The financial statements were approved by the trustees on 21/7/23 and signed on their behalf by:

Mrs. Sharon Bates
Chair of Trustees

Company Registration Number: 1 696 1 50

The notes on pages 40 to 59 form an integral part of these financial statements.

## Consolidated Statement of Cash Flows
## For the Year Ended 3 1 March 2023

| | Note | 2023 | 2022 |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Net income/(expenditure) for the year | | (789,959) | 584,204 |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation charge | 9 | 242,423 | 2 15,844 |
| Amortisation charge | 9 | 1 2,330 | 14,440 |

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)

| | | | |
|---|---|---|---|
| (Gains)/loss on investments | | 220,826 | (30 1 ,587) |
| Dividends and interest from investments | | (178,200) | (137,570) |
| Loss/(profit) on the disposal of fixed assets | 9 | | 195 |
| | | (492,580) | 375,526 |
| Working capital adjustments | | | |
| (Increase)/decrease in stock | 20 | 4,010 | 1 9,234 |
| (Increase)/Decrease in debtors | 21 | l, 123,000 | 15,125 |
| Increase/(decrease) in creditors | 23 | 109,659 | (30,704) |
| Net cash flows from operating activities | | 744,089 | 379,181 |
| Cash flows from investing activities | | | |
| Dividends and Interest from investments | | 178,200 | 1 37,570 |
| Payments to acquire intangible fixed assets | | | |
| Payments to acquire tangible fixed assets Proceeds from sale of investments | | (410,283) | (153,759) |
| Payments into investments | | (800,000) | (750,000) |
| Net cash flows from investing activities | | (1,032,083) | (766, 189) |
| Net decrease in cash and cash equivalents | | (287,994) | (387,008) |
| Cash and cash equivalents at I April | 22 | 2 2 1 2,720 | 2,599,728 |
| Cash and cash equivalents at 31 March | 22 | 1,924,726 | 2 212,720 |

The notes on pages 40 to 59 form an integral part of these financial statements.

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended 31 March 2023

## I. Company status

The company is a registered charity and a company limited by guarantee incorporated in England and Wales, without share capital. The address of the registered office, and main trading address, is North Devon Hospice, Deer Park Road, Newport, Barnstaple, Devon, EX32 OHU. The guarantors are the members to the extent of Ll each. There were 38 (2022: 38) members at the balance sheet date.

## 2. Accounting policies

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

The financial statements have been prepared in accordance with Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) — (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

The accounts are presented in Sterling which is also the functional currency of the group.

### Group financial statements

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary, NDH Ventures Ltd., 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 section 408 of the Companies Act 2006.

### Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the group 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified by the executor's intention

to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent assets and disclosed if material.

2. Accounting policies (continued)

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

### Donations of gifts, services and facilities

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

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

### Interest receivable

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

### Fund accounting

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

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 27.

### 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 relates to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services to our patients and their families as well as educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

2. Accounting policies (continued)

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

### Allocation of support costs

Resources expended are allocated to the particular charitable activity where the cost relates directly to that activity. However, other support costs not directly related are 100% allocated to charitable activities based on a combination of headcount, space and discrete charges.

### Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

### Intangible fixed assets and amortisation

Intangible fixed assets, consisting of software, are capitalised at purchase cost and amortised over their useful economic lives. Amortisation costs are allocated to activities on which the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate that their carrying value may exceed their realisable value and value in use.

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

| | |
|---|---|
| Software | 5 years |

### Tangible fixed assets and depreciation

Individual items purchased below {500 are not normally considered as capital expense unless its useful life is greater than 4 years. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their realisable value and value in use.

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

| | |
|---|---|
| Freehold land | Not depreciated |
| Freehold building | 50 years straight line |
| Leasehold property improvements | 5-20 years straight line |
| Fixtures and fittings | 5 years straight line |
| Computer equipment | 5 years straight line |
| Motor vehicles | 5 years straight line |

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended 3 1 March 2023

2. Accounting policies (continued)

Listed investments

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

The historic cost of investments is calculated on a FIFO basis.

Investments in subsidiaries

Investments in subsidiaries are initially recorded at cost.

Stock

Stock is stated at the lower of cost and net realisable value. In general, cost is determined on a 'first in, first out' basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are not valued as the charity would not otherwise have bought them.

Cash at bank and in hand

Cash at bank and 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 the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

Pension costs

The group operates a defined contribution pension scheme and contributes into two defined benefit pension schemes. Contributions into the defined contribution scheme are recognised in the statement of financial activities in the period in which they become payable in accordance with the rules of the scheme. Defined benefit pension funds have been accounted for as defined contribution schemes since these are a state plan and a multi-employer scheme, and the group is unable to identify its share of the underlying assets or liabilities of these funds.

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Financial instruments

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended March 2023

2. Accounting policies (continued)

The group only has financial assets and financial liabilities that qualify as basic financial instruments, being investments, trade debtors and trade creditors. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value. Any losses arising from impairment ('doubtful debts') are recognised in the statement of financial activities.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the trustees have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provision is made against specific trade debtors where recoverability is considered doubtful.

Legacy income which is recognisable under the income recognition policy, but has not yet been received, is provided for as accrued income until paid. The accrued income is provided at the level estimated within Probate documentation, less low level provisions for solicitor costs etc.

Key management personnel for the purposes of disclosure are considered to be the trustees and senior management team. The trustees are not remunerated.

The Trustees are satisfied, having considered the current financial position and performance of the charity, that the going concern assessment (which is a critical accounting judgement) remains appropriate. In making this assessment, the Trustees have sensitised their financial forecasts and cash flow projections for the next 12 months (from the date of approval of these financial statements) to take account of reasonably possible changes in funding and income levels, inflationary pressures and increases in utilities, in order to determine when, and to what extent any cost management measures may need to be implemented.

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3. Income from donations, gifts and legacies

| | Unrestricted | Restricted | 2023 | 2022 |
|---|---|---|---|---|

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended March 2023

| | | | | |
|---|---|---|---|---|
| Legacies & In Memoriam Donations | I ,409, 1 68 | 40,000 | I ,449, 68 | 1,6 |
| Fundraising & Donations | 753,863 | 56,577 | 810,440 | 821,767 |
| Gifts in Kind | 47,045 | | 47,045 | 36,345 |
| | 2,210,076 | 96,577 | 2,306,653 | |
| | | 2,483,382 | | |

Income from donations, gifts and legacies is {2,306,653 (2022: 2,483,382) of which Q,210,076 (2022: 2,444,252) is unrestricted and {96,577 (2022: E 39, 1 30) is restricted.

## 4. Income from charitable activities

| | Unrestricted | Restricted | 2023 | 2022 |
|---|---|---|---|---|
| ICB Grant | l, 1 97,704 | | l, 197,704 | 1,2 |
| CHC Funding | 1 28,269 | | 1 28,269 | 129,1 10 |
| Sub-total for Income supporting Direct Patient Care | l, | | 1,325,973 | |
| Educational Training | 12,684 | 1 2,500 | 25, 1 84 | 4, 1 30 |
| Total income from charitable activities | 1,338,657 | 12,500 | 1,351,157 | 1,368,586 |

Income from charitable activities is El ,35 1 , 1 57 (2022: E I ,368,586) of which El ,338,657 (2022: El ,386,586) is unrestricted and El 2,500 (2022: {nil) is restricted.

## 5. Income from other trading activities

| | Unrestricted | Restricted | 2023 | 2022 |
|---|---|---|---|---|
| Shops & Monopoly | | | 44 | |
| Lottery | 645,340 | | 645,340 | 647, 1 12 |
| Business Grants | | | | 37,336 |
| | 2,148,984 | - | 2,148,984 | 1,940,762 |

Income from charitable activities is Q, 148,984 (2022: El 940,762) of which Q, 148,984 (2022: I 940,762) is unrestricted and {nil (2022: {nil) is restricted.

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended 3 1 March 2023

## 6. Income from investments

| | Unrestricted | Restricted | 2023 | 2022 |
|---|---|---|---|---|
| Dividends | 1 6 1,04 1 | | 161 ,041 | 1 35,45 1 |
| Deposit Interest | 1 7, 159 | | 17,1 59 | 2 1 19 |
| | 1 78,200 | | 178,200 | 1 37,570 |

Income from investments is El 78,200 (2022: El 37,570) of which El 78,200 (2022: El 37,570) is unrestricted and {nil (2022: {nil) is restricted.

## 7. Other Income

| | Unrestricted | Restricted | 2023 | 2022 |
|---|---|---|---|---|
| Government Covid Support | | | | 389,0 1 5 |
| Disposal of Assets | | | | (195) |
| Other | 33,76 1 | 6,190 | 39,951 | 20,478 |
| | 33,76 1 | 6,190 | 35,95 1 | 409,298 |

Income from investments is {35,95 1 (2022: {409,298) of which {33,761 (2022: {20,283) is unrestricted and {6, 1 90 (2022: {389,015) is restricted.

| | Education £ | Governance costs £ | Support costs £ | 2023 Total £ | 2022 Total £ |
|---|---|---|---|---|---|
| | 27,362 | - | 882,844 | 4,723,648 | 4,388,643 |
| | - | - | - | 236,125 | 217,280 |
| | - | - | - | 25,427 | 23,878 |
| | - | - | - | 37,954 | 30,269 |
| | 2,397 | - | - | 2,397 | 1,107 |
| | - | - | - | 37,452 | 47,409 |
| | - | - | - | 153,269 | 156,153 |
| | - | - | - | 512,069 | 462,467 |
| | - | - | - | 134,582 | 128,969 |
| | - | - | 180,603 | 180,603 | 119,718 |
| | - | - | 22,506 | 22,506 | 19,620 |
| | - | - | 12,967 | 12,967 | 15,034 |
| | - | - | 93,306 | 109,681 | 114,412 |
| | - | 16,376 | 31,374 | 37,977 | 24,845 |
| | - | 6,603 | 74,668 | 83,158 | 49,008 |
| | - | 8,490 | 29,510 | 29,510 | 27,886 |
| | - | - | 222,466 | 254,753 | 230,283 |
| | 29,759 | 31,468 | 1,550,244 | 6,594,078 | 6,056,981 |
| | 31,936 | - | (1,550,244) | - | - |
| | 1,831 | (31,468) | - | - | - |
| | **63,526** | - | - | **6,594,078** | 6,056,981 |
| | 56,959 | - | - | 6,056,981 | 5,514,468 |

## 8. Analysis of expenditure

| | Cost of raising funds £ | Supportive care £ | Hospice to Home £ | Community £ | In Patient Unit £ |
|---|---|---|---|---|---|
| Staff costs | 1,204,078 | 358,276 | 408,578 | 508,454 | 1,334,056 |
| In Patient Unit | - | - | - | - | 236,125 |
| Community | - | - | - | 25,427 | - |
| Supportive Care | - | 37,954 | - | - | - |
| Education | - | - | - | - | - |
| Hospice to home | - | - | 37,452 | - | - |
| Fundraising Activities | 153,269 | - | - | - | - |
| Shops | 512,069 | - | - | - | - |
| Lottery & Sheppard's | 134,582 | - | - | - | - |
| Facilities & Premises | - | - | - | - | - |
| Catering | - | - | - | - | - |
| House Keeping | - | - | - | - | - |
| Finance & IT | - | - | - | - | - |
| Administration | - | - | - | - | - |
| Communication | - | - | - | - | - |
| Human Resource | - | - | - | - | - |
| Depreciation | 32,287 | - | - | - | - |
| | 2,036,285 | 396,230 | 446,030 | 533,881 | 1,570,181 |
| Support Costs | 396,251 | 168,091 | 126,761 | 149,147 | 678,058 |
| Governance costs | 1,361 | 8,215 | 8,526 | 5,299 | 6,236 |
| **Total expenditure** | **2,433,897** | **572,536** | **581,317** | **688,327** | **2,254,475** |
| Total expenditure 2022 | 2,240,529 | 552,734 | 538,125 | 607,274 | 2,061,360 |

Of the total expenditure, £6,510,299 was unrestricted (2022: £5,738,869) and £83,779 was restricted (2022: £318,112).

## 9. Net incoming resources for the year

This is stated after charging / crediting:

| | 2023 | 2022 |
|---|---|---|
| Amortisation | 1 2,330 | 14,440 |
| Depreciation | 242,423 | 2 1 5,844 |
| Loss/(profit) on disposal of fixed assets | | 195 |
| Operating lease rentals: | | |
| Property | 198,146 | 194,297 |
| Other | 40,003 | 37,725 |

## 10. Auditor's remuneration

| | 2023 | 2022 |
|---|---|---|
| The analysis of auditor's remuneration is as follows: | | |
| Audit fees | 1 1,615 | 1 1,300 |
| Accountancy services | I ,485 | I ,500 |

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended 3 1 March 2023

| | | |
|---|---|---|
| Tax compliance services | 600 | 600 |
| | 13,700 | 1 3,400 |

## Il. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

| | 2023 | 2022 |
|---|---|---|
| Salaries and wages | 4,092,279 | |
| Employer's National Insurance | 372, 157 | 328,044 |
| Employer's contribution to defined contribution pension schemes | 259,212 | 241 ,981 |
| | 4,723,6484.3 | |

The following number of employees received employee benefits (excluding pension costs) during the year between:

| | 2023 | 2022 |
|---|---|---|
| {60,000 - {69,999 | 3 | 3 |
| {70,000 - {79,999 2 {80,000 - {89,999 | | |

The total employee benefits including pension contributions of the key management personnel were {322,888 (2022: {303,814).

The charity trustees were not paid, or received any other benefits, from employment with the charity in the year (2022: {nil). No charity trustee received payment for professional or other services supplied to the charity (2022: [nil).

Trustees' expenses were {nil in both the current and prior year.

# Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended 3 1 March 2023

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## 12. Staff numbers

The average number of employees was:

| | Average 2023 No. | FTE 2023 No. | Average 2022 No. | FTE 2022 No. |
|---|---|---|---|---|
| Fundraising Activities | 51 | 38 | 50 | 38 |
| Direct Care | 82 | 59 | 80 | 58 |
| Education | 2 | | | |
| NDH Ventures | | | | |
| Support | 42 | 33 | 44 | 34 |
| | 178 | 132 | 176 | 1 32 |

## 13. Related party transactions

There are no related party transactions to disclose for 2023 (2022: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

## 14. Taxation status

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Part I I Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1 992, to the extent that such income or gains are applied exclusively to charitable purposes. The charity's trading subsidiary NDH Ventures Limited gift aids available profits to the parent charity. Its charge to corporation and deferred tax in the year was {nil (2022: {nil).

## 1 5. Intangible fixed assets

Group and company

| | Software | Total |
|---|---|---|
| **Cost** | | |
| As at I April 2022 | 222,8 1 1 | 222,81 1 |
| Disposals | (46,063) | (46,063) |
| As at 3 1 March 2023 | 176,748 | 1 76,748 |

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended 3 1 March 2023

| Depreciation | | |
|---|---|---|
| As at I April 2021 | 20 1 ,239 | 201,239 |
| Charge for the Year | 1 2,330 | 1 2,330 |
| Disposals | (46,063) | (46,063) |
| As at 3 1 March 2022 | 167,506 | 167,506 |
| **Net book value** | | |
| As at 3 1 March 2023 | 9,242 | 9,242 |
| As at 3 1 March 2022 | 21 ,572 | 21 ,572 |

1 6. Tangible fixed assets

| Group | Land & Buildings | Fixtures and fittings | Computer equipment | Motor Vehicles | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As at I April 2022 | 4,45 1 ,099 | 690,787 | 3 14,456 | 1 14,133 | 5,57 |
| Additions | | 389,096 | 21,187 | | 410,283 |
| Disposals | | (63,500) | (7,533) | | (7 1 ,033) |
| As at 3 1 March 2023 | 4,45 1 ,099 | I 6,383 | 328,1 10 | 1 14,1 33 | 5,909,725 |
| **Depreciation** | | | | | |
| As at I April 2022 | I 16 | 499,342 | 21 5,806 | 107,415 | 2,262, 79 |
| Charge for the Year | 99,682 | 104,625 | 34,397 | 3,719 | 242,423 |
| Disposals | | (63,500) | (7,533) | | (7 ,033) |
| As at 3 1 March 2023 | 1,539,298 | 540,467 | 242,670 | 1 1 1,1 34 | 2,433,569 |
| **Net book value** | | | | | |
| As at 3 1 March 2023 | 2,91 1,801 | 475,916 | 85,440 | 2,999 | 3,476, 56 |

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended 3 1 March 2023

| | | | | | |
|---|---|---|---|---|---|
| As at 3 1 March 2022 | 3,01 1,483 | 19 1 ,445 | 98,650 | 6,718 | 3.30 |

Included in Land and Buildings is leasehold property with a carrying value of {473,384, with the balance being freehold. Land with a carrying value of El 75,729 (2022: El 75,729) is included in freehold property and is not depreciated. All of the above assets are used for charitable purposes.

1 6. Tangible fixed assets (continued)

| Charity | Land & Buildings | Fixtures and fittings | Computer equipment | Motor Vehicles | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As at I April 2022 | 4,45 1 ,099 | 690,787 | 3 14,455 | 1 14,1 33 | 5,570,474 |
| Additions | | 389,096 | 21,187 | | |
| Disposals | | (63,500) | (7,533) | | |
| As at 3 1 March 2023 | 4,45 1 ,099 | I 1 6,383 | 328,1 10 | 1 14,1 33 | 5,570,474 |
| As at 3 1 March 2023 | 1,539,298 | 540,467 | 242,670 | Il 1,34 | 2,433,569 |
| **Depreciation** | | | | | |
| As at I April 2021 | I 16 | 499 , 342 | 2 1 5,805 | 107,415 | 2,262, 1 78 |
| Charge for the Year | 99,682 | 104,625 | 34,397 | 3,719 | 242,423 |
| Disposals | | (63,500) | (7,533) | | (7 ,033) |
| **Net book value** | | | | | |
| As at 3 1 March 2023 | 2,91 1,801 | 475,916 | 85,440 | 2,999 | 3,476, 1 56 |
| As at 3 1 March 2022 | 3,01 1,483 | 1 9 1 ,445 | 98,650 | 6,718 | 3.30 |

Included in Land and Buildings is leasehold property with a carrying value of {473,384, with the balance being freehold. Land with a carrying value of El 75,729 (2022: El 75,729) is included in freehold property and is not depreciated. All of the above assets are used for charitable purposes.

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended March 2023

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## 17. Trading subsidiary

### NDH Ventures Ltd.

The charitable company owns the whole of the issued ordinary share capital of NDH Ventures Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

A summary of its results is shown below:

| | | |
|---|---|---|
| Turnover | | (789,959) |
| Cost of Sales | 552,889 | 2022 |
| Gross Profit | (73,418) | 689,707 |
| Administrative Expenses | | (134,704) |
| Other operating income | | |
| Profit on Ordinary Activities | 479,471 | 555,003 |
| Taxation | | |
| Profit for the financial year | 479,471 | (71,328) |
| Gift aid paid to parent undertaking under deed of covenant | | |
| The aggregate of the assets, liabilities and funds were: | 479,471 | 483,765 |
| Assets | | |
| Liabilities | 154,876 | |
| | (71,167) | |

## 18. Parent charity

| | | |
|---|---|---|
| The parent charity's gross income and the results for the year are disclosed as follows: | 83,709 | 483,765 |
| | | 483,765 |
| Gross income | | |
| Result for the year | | 168,110 |
| | 2023 2023 | (84,401) |
| 687,438 (134,549) | 79 | 54 |

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended March 2023

83,709 2022 584,20

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6, 1 33,76 1

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## 19. Investments

| | Group 2023 | Group 2022 | Charity 2023 | Charity 2022 |
|---|---|---|---|---|
| Fair value at the start of the year | 6,696, 161 | 5,6 | 735 | 5,730, 148 |
| Additions at cost | 800,000 | 750,000 | 800,000 | 750,000 |
| Disposal proceeds | | | | |
| Net (loss)/gain on change in fair value | (220,826) | 30 ,587 | (220,826) | 301,587 |
| | 7,275,335 | 6,696, 1 6 1 | 7,360,909 | 6,781 ,735 |
| Historic cost at the end of the year | 5,527, 53 | 4,727, 1 53 | 56 12,727 | 4 8 1 2,727 |

Investments comprise:

| | 2023 | 2022 | 2023 | 2022 |
|---|---|---|---|---|
| UK Common investment funds | 7,275,335 | 6,696, 1 6 1 | 7,275,335 | 6,696, 1 6 1 |
| Unlisted shares in subsidiary undertaking Incorporated in the UK | | | 85,574 | 85,574 |

Investments representing over 5% by value of the portfolio (group and charity) comprise:

| | 2023 | 2022 |
|---|---|---|
| BNY MELLON - Newton SRI Fund for Charities | 523 | 6,696, 1 6 1 |
| BNY MELLON - Sustainable Global Dynamic Bond Fund | 804,812 | |

## 20. Stock

| | Group | Group | Charity | Charity |
|---|---|---|---|---|

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended March 2023

| | 2023 | 2022 | 2023 | 2022 |
|---|---|---|---|---|
| | 7,275,335 | 6,696, 1 6 1 | 7,360,909 | 6,781 ,735 |
| Finished goods for resale | 8,520 | 12,530 | | |

## 21. Debtors

| | Group 2023 | Group 2022 | Charity 2023 | Charity 2022 |
|---|---|---|---|---|
| Trade Debtors | 27,474 | 69,274 | 27,474 | 69,274 |
| Other Debtors | 54,287 | 32,426 | 54,287 | 32,426 |
| Prepayments | 186,01 2 | 131,137 | 173,179 | 1 24,993 |
| Accrued income | 739 | 2,291 ,674 | 1.133.739 | 2,29 1 ,674 |
| | 1,401,512 | 2,524,511 | 1,388,679 | 2,518,367 |

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# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended March 2023

## 22. Analysis of cash and cash equivalents

| | Group 2023 | Group 2022 | Charity 2023 | Charity 2022 |
|---|---|---|---|---|
| Cash in hand | 1 5,827 | 9,808 | 15,827 | 9,808 |
| Cash at bank | | 2 2029 12 | 1.896.222 | 2, 1 9 1 ,640 |
| | | | 1,9 12,049 | 2,20 1 ,448 |

| Analysis of net funds | Opening | Cash flow | Closing |
|---|---|---|---|
| Total cash | 2. 2 12,720 | (287,994) | 1,924 |

## 23. Creditors: Amounts falling due within one year

| | Group 2023 | Group 2022 | Charity 2023 | Charity 2022 |
|---|---|---|---|---|
| Trade Creditors | 1 85,584 | 1 3 1 ,999 | 1 85,584 | 1 3 1 ,999 |
| Amounts due to group undertakings | | | 1 20,847 | 1 38, 1 64 |
| Other taxes and social security | 84,61 1 | 83,562 | 84,61 1 | 83,562 |
| Accruals | 145,590 | 125,488 | 1 45,590 | 1 25,488 |
| Deferred income (Note 24) | 145,006 | 1 10,083 | 76,360 | 28,203 |
| | 560,79 1 | 451,1 32 | 612,992 | 507,4 1 6 |

## 24. Deferred income

Deferred income comprises of Fundraising Events income, where events will take place in the future year, and Lottery income, where draws will take place in the future year.

| | Group 2023 | Group 2022 | Charity 2023 | Charity 2022 |
|---|---|---|---|---|
| Balance Brought Forward | 1 10,083 | 127,453 | 28,203 | 45, 1 71 |
| Balance Carried Forward | 145,006 | 1 10,083 | 76,360 | 28,203 |

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts

For the Year Ended March 2023

| | | | | |
|---|---|---|---|---|
| Amount released to income in the year | (1 10,083) | ( 127,453) | (28,203) | (45, 1 71 ) |
| Amount deferred in the year | 145,006 | 1 10,083 | 76,360 | 28,203 |

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## 25. Provisions — deferred tax

| | Group 2023 | Group 2022 | Charity 2023 | Charity 2022 |
|---|---|---|---|---|
| Balance Brought Forward | 2,521 | 2,521 | | |
| Increase in provision in the year | | | | |
| Balance Carried Forward | 2,521 | 2,521 | | |

## 26. Pension schemes

Defined benefit pension schemes

NHS pension scheme

The company 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 134,287 (2022: El 17,605).

Contributions amounting to El 9,661 (2022: El 8,322) were payable to the Fund at 3 1 March 2023 and are included in other creditors.

Defined contribution pension scheme

AEGON pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to E 124,925 (2022: El 24,736).

Contributions amounting to El 9, 180 (2022: El 8,827) were payable to the Fund at 3 1 March 2023 and are included in other creditors.

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27.

| Group | As at I April | Gains/ (Losses) | As at 3 1 March |
|---|---|---|---|

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended March 2023

Statement of funds

| | 2022 | Income | Expenditure | Transfers | 3,485,398<br>2,850,000<br>2023 |
|---|---|---|---|---|---|
| **Unrestricted Funds:** | | | | | |
| **Designated Funds:** | | | | | |
| Buildings and assets | 3,329,869 | | | 155,529 | |
| Risl< based reserve | | | | | |
| Total designated funds | 11,526,069 | | (1,046,596) | 595,948 | 11,07 |
| Income Generation Diversification | 600,000 | | | | 600,000 |
| H2H Service Provision | | | (328,832) | (8,536) | 1,193 |
| Strategy Service Provision | | | | | |
| Organisational Development 21-26 | 2,944,423 | | (71 1,967) | 448,955 | 2.681 |
| Strategy Digital Development & Innovation 21-26 | 271 ,096 | | (5,797) | | 265,299 |
| Revaluation reserve | | | | (220,826) | 1,748 |
| General funds | 746,405 | 5,688,852 | (5,463,703) | (300,068) | 67 ,486 |
| Total unrestricted funds | 14,24 1,48 1 | 5,688,852 | (6,5 1 0,299) | 75,054 | 13.49 |
| **Restricted Funds:** | | | | | |
| Patient services | 1 5,888 | 82,540 | (83,779) | | 1 4,649 |
| Education | | 12,500 | | | 1 2,500 |
| Long House | 2,088 | | | | 2,088 |
| Capital other | 62,68 1 | 20,227 | | (75,054) | 7,854 |
| Total restricted funds | 80,657 | 1 15,267 | (83,779) | (75,054) | 37,091 |
| Total funds | 14,322, 1 38 | 5,804, 19 | (6,594,078) | | 1 3,532, 79 |

# Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended 3 1 March 2023

Statement of funds

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27. (continued)

Comparative

| | | | | | |
|---|---|---|---|---|---|
| 11,526,069 Total designated funds | 1 10,002 | | ( I ,046, 1 58) | I , 1 62,225 | |
| Total unrestricted funds | 13,611,518 | 6,213,040 | (5,6 1 9,904) | 36,827 | 4,241 ,481 |
| Total restricted funds | 126,416 | 428, 145 | (437,077) | (36,827) | 80,657 |

| Group | As at I April 2021 | Income | Expenditure | Gains/ (Losses) Transfers | As at 3 1 March 2022 |
|---|---|---|---|---|---|
| Unrestricted Funds: | | | | | |
| Designated Funds: | | | | | |
| Buildings and assets | 3,406,589 | | | (76,720) | 3,329,869 |
| Risk based reserve | | | | | |

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended March 2023

## Statement of funds

| | | | | | |
|---|---|---|---|---|---|
| Income Generation Diversification | 600,000 | | | | 600,000 |
| H2H Service Provision | | | (303,753) | 65,839 | 1.5 |
| Strategy Service Provision & Organisational Development 2 1-26 | 1,99 | | (266,036) | I 215,079 | 2,944,423 |
| Strategy Digital Development & Innovation 21-26 | 3 1 7,603 | | (4,534) | (4 1 ,973) | 271 ,096 |
| COVID Response | 471 ,835 | | (471 ,835) | | |
| Revaluation reserve | 1,667,420 | | | 301,587 | 1,96 |
| General funds | 534,096 | 6,213,040 | (4,573,746) | 1,426,985 | 746,405 |

## Restricted Funds:

| | | | | | |
|---|---|---|---|---|---|
| Patient services | 38,935 | 25,015 | (48,062) | | 1 5,888 |
| Long House | 2,088 | | | | 2,088 |
| Capital other | 85,393 | 14,1 15 | | (36,827) | 62,68 1 |
| Covid | | 389,015 | (389,0 1 5) | | |
| Total funds | 13,737,934 | 6,641,185 | (6,056,981) | -14,322, 38 | |

## Purposes of restricted funds

Patient services are funds received to support the delivery of our services.

Long House represents funds received for the running costs of The Long House outreach centre in Holsworthy.

Other capital funds are funds received for specific capital projects.

## Purposes of designated funds

Buildings and asset reserve is to match the net book value of hospice assets at Deer Park, Westcombe Lane, and at the Long House which cannot be used without being sold.

Risk based reserve is to cover the financial impact of the main risks to the charity.

Income Diversification reserve, it is anticipated that these funds will be invested in the next 12 months on a project which will see an additional regular sustainable income stream on an annual basis.

# 4. Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended 3 1 March 2023

## Statement of funds

27. (continued)

H2H Service Provision provides hands on nursing care to patients in their own homes with complex healthcare conditions, the teams focus being to keep patients at home and avoid unnecessary hospital admissions. Recognising the huge importance of the vital service, trustees have set aside funds to ensure that a minimum level of service can be provided over the next 5 years.

Strategy 2021-2026: Service Provision and Organisational Development, this amount relates to the specific elements of the 5-year plan to further improve services that enhance the support to our patients and their families. We wish to be even more responsive to their changing needs and ensure that we have the staff in place with the appropriate skills to support this.

Strategy 2021-2026: Digital Development and Innovation - this fund supports the digital and innovation part of our strategy. Including initiatives such as digital tap and go donations, improving patient access via digital technology and further digital fundraising activities.

Investment revaluation reserve is a fund equal to the revaluation of investments to market value at the balance sheet date, which has not been realised.

## Charity

For the purpose of section 408 of the Companies Act 2006, the net movement of funds for the Company is a surplus of {789,959 (2022: {584,204). Total funds brought forward were {14,322, 1 38 (2022: El 1,737,934).Total funds carried forward were El 3,532, 1 79 (2022: {14,322, 138).

## 28. Analysis of group net assets between funds

| At 3 1 March 2023 | General Funds | Designated Funds | Restricted Funds | Total |
|---|---|---|---|---|
| Tangible & Intangible Fixed Assets | | | - | 3,485,398 |
| Investments | | 7,275,335 | | 7,275,335 |
| Other Assets | 671,486 | 2 | 37,09 1 | 2,77 1 ,446 |
| | 671 ,486 | 12, | 37,09 1 | 13,5 |

| At 3 1 March 2022 | General Funds | Designated Funds | Restricted Funds | Total |
|---|---|---|---|---|
| Tangible & Intangible Fixed Assets | | 3,329,869 | - | 3,329,869 |
| Investments | - | 6,696, 161 | | 6,696,161 |
| Other Assets | 746,405 | 3,469,046 | 80,657 | 4,296, 1 08 |
| | 746,405 | 13 | 80,657 | 1 4,322, 138 |

There are sufficient resources available, held in an appropriate form, to enable restricted and designated funds to be applied in accordance with restrictions imposed.

4.

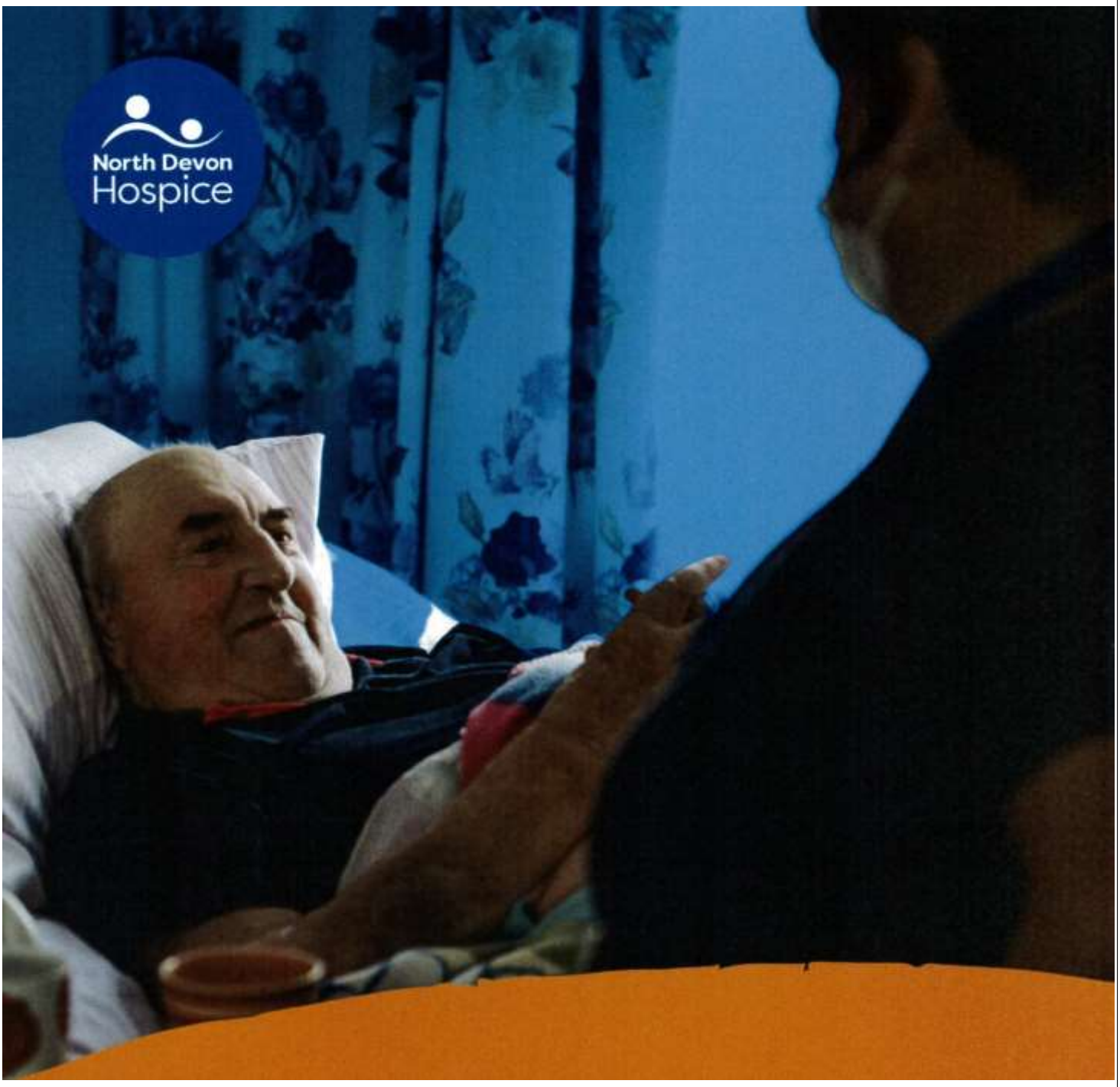
## 29. Operating lease commitment

### Group and Charity

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

| | 2023 | 2022 |
|---|---|---|
| Less than one year | 92,263 | 1 09,838 |
| One to five years | 224,973 | 143,896 |
| Over five years | 320,755 | 335,737 |
| | 637,991 | 589,47 1 |

The amount of non-cancellable operating lease payments recognised as an expense during the year was 238, 1 49 2022: £232,023).




# Your life is a story, the ending matters

# Financial Statements

North Devon Hospice (Company Limited by Guarantee)
Notes to the Accounts
For the Year Ended 3 1 March 2023

**NORTH DEVON HOSPICE**

England & Wales - Charity number 286554

# Accounts

North Devon Hospice

# Trustees Report

## 2021-2022



being there for all the family - registered charity no. 286554

# Contents


## 1. Trustees Report

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## 3. Auditors Report to the Trustees

## 4. Financial Statements

- Consolidated Statement of Financial Activities
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- Consolidated Cash Flow Statement
- Notes to Financial Statements



**The service from North Devon Hospice was outstanding - care and compassion were paramount - from the whole team. As a partner and carer I have no words to describe the feeling of love and support that emanated from each and every person we met along our weary path. A very special place...**

Partner of a patient

# Our Appreciation

We believe that your life is a story and the ending matters. North Devon Hospice's mission is to provide outstanding care and support to the community of North Devon who are impacted by a life limiting illness. We can only achieve this together with you. It is your individual donations, business support, fundraising events, lottery memberships, gifts in wills and trust and grants that enable us to be there for all the family.

In choosing to support us you are in fact making sure that death is as dignified and pain free as possible for thousands of people. On their behalf thank you.

# Chief Executive's Review



Relentless, exhausted, ever changing, stressed. These are all feelings which I am sure have resonated with you at some point throughout this pandemic. I know for certain, in keeping every service we have going throughout this time, every team here at North Devon Hospice has felt/is feeling this. That said, as Chief Executive, I have also witnessed humour, resilience, kindness, empathy and togetherness to an extent that I have never seen before. The good news is I know that these feelings are far more powerful than the aforementioned. It is for this reason that North Devon Hospice once more was able to weather the storm of the last 12 months. However what does "weather the storm" mean in real time? It means that none of our services were cut, it means that our care continued, it means that in the face of an ever changing operational and economic landscape we still achieved our objectives as an organisation.

The year was defined in many ways by the perfect storm of limited resource meeting increased demand. From our Bedded Unit perspective, we saw the complexity of our patients increase. This complexity requires a higher level of nurse input and so we found ourselves looking after fewer patients on our Bedded Unit than in normal years but looking after patients who had a far greater need for the specialist palliative care provided on the unit. The year was also marked emotionally for the team as we saw the average age of our patients plummet. On more than one occasion our Bedded Unit was full of patients all below the age of 45. This takes its toll on the resilience of the team. It is against this backdrop that I was delighted that the Board supported our investment of an additional nurse onto the unit to add some much needed resource.

In terms of our Clinical Nurse Specialists looking after patients in the community we saw a sustained high caseload throughout the year in fact over a third higher than is typical. Once more we were able to support the team through the Board supporting the recruitment of an additional Clinical Nurse Specialist. At a time when so many other healthcare charities are having to cut services, I am proud of the fact that we were actually able to invest in our care.

The ability of us to invest in our care in the middle of a pandemic is down to the hard work and dedication of all our staff and volunteers. From an income perspective a combination of a successful fundraising year, unbudgeted financial support from the government and prudent reserve management has ensured that North Devon Hospice has remained sure of foot financially. That said, as we enter a cost of living crisis and substantial macro-economic challenges, I do believe that the next 12 months will be more challenging than the last. Challenging or not, none of our care is possible without your support. The attributes I have seen in our staff I have also seen in the community of North Devon: kindness, thoughtfulness, generosity, heart. This is what makes our care special. All this is what makes North Devon special and this is what drives each and every member of the team here. This storm will not last, they never do, however what will last is how you have made people feel at the end of their lives and for that I thank you.

**Mr. Stephen Roberts**
Chief Executive Office



# Chair's Review

Whilst the last 12 months has proven to be another turbulent year, I am both pleased and proud to report on the continued success of the Hospice. By success I refer to our outstanding patient care, our financial performance and our support of the staff and volunteers who make North Devon Hospice special.

In terms of patient care, as a Board of Trustees, we were very pleased to support our care further through investing in two extra nurses, one for the bedded unit team, the other in support of our community team. This was in response to the clear increase in demand and complexity of the patients we care for. This was only made possible thanks to the organisation's continued prudent financial planning and risk management. It is with this financial planning that we were able to support all of the staff with a new remuneration framework which saw all roles move to a spot salary model. In so doing we can ensure that our amazing staff are rewarded, fairly, competitively and transparently.

It was fantastic to see services, volunteering and events returning to more normality which enabled the Board to ensure that, as we entered the second year of our new Strategy, progress was sustained. In terms of the Board itself we successfully recruited three new volunteers which ensures that the Board's skill sets best position us to support the new strategy and ensure effective governance of the organisation.

Looking to the future, whilst we expect it will be a very challenging year financially we have a lot to look forward to in particular the refurbishment of our bedded unit to enhance the care we can provide at Deer Park as well as the on-going development of our Hospice to Home service to better support our healthcare colleagues in urgent care.

Ultimately, as volunteers we only give our time for one reason, to support the end of life care that so many of our community rely on. A community that without their continued support we would not be able to care for at a time in their lives when they need all of the support they can get. It is for that reason that I would like to thank the community of North Devon for all of their passion, dedication, generosity and support that ensure that North Devon Hospice can continue to be there for all the families that need us. Thank You

.....

**Mrs. Sharon Bates**
Chair of the Board of Trustees

# Impact of COVID

In this reporting period, COVID has had the following impact on North Devon Hospice:

**Bedded Unit** Given COVID restrictions and to ensure the utmost safety for our patients and our staff we have continued to operate with 6 beds. This is one more than the last time this report was produced as we saw less of our workforce being impacted by COVID itself and therefore were able to staff each shift appropriately. We are proud of the fact that we took the decision to continue to allow visitors to the unit. In so doing we ensured that important moments were not denied to both the patient and their loved ones.

**Clinical Nurse Specialist Team** The caseload for our team has remained exceedingly high throughout the year. This has been compounded by two factors. One is the overspill seen from the NHS being so incredibly busy and the second relates to the fact that sadly many people who did not have a terminal diagnosis pre-COVID have seen their diagnosis change to terminal due to a lack of active treatment being available to them due to COVID restrictions.

**Hospice to Home** This year saw the team being able to return to their own service as the bedded unit returned to full staffing levels. The team continued to visit patients throughout COVID given the appropriate level of protection. The year also saw the team increase the number of "rapid response" patients that they were able to assist which is good news as we look to re-focus the team more on this kind of support.

**Supportive Care** Whilst still having to operate within COVID parameters, the team successfully continued to offer counselling and some group support via telephone, video and on a closed social media platform. In addition, we have also managed to return one to one counselling back at Deer Park for those who would prefer face to face. In addition the first group was held at our outreach centre at The Long House in Holsworthy. At the time of this report we are planning for a full return of all services to Deer Park and The Long House.

**Education** Due to COVID we were unable to provide external face to face education sessions. This fact, coupled with the retirement of our Clinical Educator which we have been unable to recruit to means that our external education remains at a minimum. This has given us the opportunity however to concentrate on our own staff's clinical education and training needs as well as still providing a limited menu of on-line clinical educational sessions. In addition, hospice website resources were increased for professionals to support care home staff and community carers with up to date end of life care information in the absence of our face to face education.

**Fundraising** This proved to be a very difficult year to maximise our fundraising activities against an ever changing COVID regulation landscape. That said we were able to return to putting on some of our own mass participation events such as Nightwalk and Mission:Unbreakable although at capped numbers. Both events sold out and this fact, coupled with the continued fundraising efforts of Max Woosey, "Boy In The Tent" meant that from a fundraising perspective we were able to weather this year better than expected.

**Marketing & Communications** Whilst in the year previous our emphasis was to ensure that the community we serve knew that our care continued, this year we sought to share the special moments of care that happened throughout the year despite of COVID.

**Finance** Building on the previous years we have continued to automate and digitise a lot of our financial processing. From this perspective COVID has actually been an opportunity to increase the agile working of the organisation.

**IT** With a move to hybrid working for the organisation, IT continued to support all staff both on site and remotely. In addition, in the face of COVID, with more of our operations moving on-line and digitally, IT increased our cyber security once more gaining the Cyber Essentials accreditation.

**HR and Volunteers** We were still limited in our ability to return our volunteers to support our work apart from in our garden, in the shops and the continued delivery of counselling volunteers remotely. From an HR perspective, with COVID accelerating all things digital we were able to move our recruitment to an e-platform making the entire process paperless. In addition we continued to place our staff's welfare at the heart of everything we do through the continued roll out of our wellbeing strategy.

**Retail** Over the reporting period, our retail business operated in an incredibly challenging environment. Having to shut, re-open, shut and then re-open again in line with government guidelines was difficult. In addition, we continued to struggle to adequately resource the business to ensure that all shops were re-opened. This all resulted in a very small loss this year of £15k.

**Lottery** Half way through the year we were able to commence face to face recruitment which went some way to sustaining income. In addition, the attrition rate over the reporting period did not realise to the extent budgeted. These two facts coupled with a successful 2nd number campaign saw Lottery nearly hit its income target whilst surpassing its net profit target.

**Housekeeping** With the heightened level of infection control required and with Deer Park still being operational, albeit with fewer staff, the housekeeping team have been phenomenal in their increased levels of cleaning to keep the entire site safe.

**Facilities** To continue to support all operations at Deer Park, the facilities team remained on site and continued to complete a number of projects in a COVID secure manner. This included a complete refurbishment of our Deer Park Terrace Café.

**The Long House** In the reporting period we were able to re-introduce some counselling and group work at The Long House however we observed that a number of our beneficiaries still remained nervous about face to face work and so did not make use of this option but continued with remote support.

# Our Mission and Strategic Objectives

## Charitable Mission

To provide outstanding care and support to the community of North Devon who are impacted by a life limiting illness.

## Strategy

Having developed a new 5 year strategy but delayed the launch of this because of COVID we took the decision to launch it in 2021 even in light of COVID so that we could clearly establish both internally and externally where our future ambitions lie. Therefore, in this reporting year we show our impact against this new strategy. Against each of the strategic objectives we were able to achieve the following during the COVID pandemic:



### 1. Be there for everyone who needs us by providing outstanding care

Key Impact in 2021/22:

- **We cared for 1,657 (2020/2021 1,589) people across North Devon**
- **Our Community Clinical Nurse Specialists made 2,522 visits across the whole of North Devon (2020/21 1,771) supporting 1,043 people (2020/21 996)**
- **Our Hospice to Home team made 5,490 visits to our patients homes (2020/21 2,923) spending 3,184 hours supporting our patients to remain at home (2020/21 1,909)**
- **Our Bedded Unit cared for 80 complex patients (2020/21 92)**
- **Our Supportive Care team cared for 939 people (2020/21 840)**



### 2. Walk arm in arm with every healthcare partner who, in working with them, will enhance our patient care

Key Impact in 2021/22:

- **Supporting both Rapid Intervention Centre and NDDH's Pathfinder to avoid unnecessary admissions and to support speedier discharges respectively**



### 3. Enhance End of Life Care Across North Devon Through Education.

Key Impact in 2021/2022:

- **North Devon Hospice is a formal part of the University of Bolton's nursing degree course at Northern Devon District Hospital (NDDH). Through this we saw a record number of nursing students complete placements on our bedded unit**

- We also supported 5 trainee GP's in their training with bedded unit placements.



## 4. Nurture Content, Engaged Skilled & Fulfilled Staff

Key Impact in 2021/2022:

- We rolled out a new Pay Framework which moved our pay structure to a spot salary model. In so doing making our pay fair, simple and transparent
- We have now completed 4 Cohorts of leadership development training. Therefore nearly 40 of our leaders across the organisation have completed the course
- We have rolled out our organisational wellbeing plan to support the physical and mental health of all of our staff
- Following staff engagement we introduced flexible hybrid working empowering our staff to have the opportunity to work from home for maximum of 3 days a week, where roles allow.



## 5. Embrace Our Volunteering Community & Encourage You To Become Part Of It

Key Impact in 2021/22:

- Increased our Community Support Volunteer team who support patients in their own home. The team has increased from 6 to 12
- A successful Trustee recruitment campaign has led to the appointment of 3 new Trustees to the Board along with a new NDH Ventures Director being appointed
- Our volunteers received the Queen's Award for Voluntary Service which is the equivalent of a "group" MBE.



## 6. Embrace Technology To Enhance Our Care

Key Impact in 2021/22:

- Increased extent of Virtual Reality experiences available to our patients
- Implemented Darktrace Email Antigena Security with intelligent email security, the world's first proven Autonomous response technology that operates from an Artificial Intelligence decision making framework
- Introduced Smart Technology into the refurbishment of our family room
- Supported H2H operations by creating a digitised planning wallboard with companion app for staff out on the road.



## 7. Be Financially Stable To Continue To Be There For All The Family

Key Impact in 2021/22:

- Our Fundraising ended the year at £1.6m which is nearly £500k more than budgeted
- Our total income was £6.1m which is £728k more than budgeted
- Our total operating surplus was £164k.



## 8. Ensure That The Relationship We Have With The Community We Serve Inspires And Mobilises People To Support North Devon Hospice's Mission

Key Impact in 2021/22:

- North Devon Hospice received the highest level of donations through social media we ever have: over £12k
- Our Facebook followers exceeded 15k
- Our newsletter donation response was the second highest in our history

# Your Impact

## Your Clinical Care

We believe that your life is a story and the ending matters. What matters to people at the end of their life varies and we are passionate about ensuring that this is respected. What is consistent though is that people want to die pain free and with dignity. It is thanks to your support that we can achieve this for so many. Whether this is in people's own homes, at the hospice, in North Devon District Hospital, in community hospitals or in care and nursing homes your support means that patients and their loved ones are supported wherever they are.

All our care services continued to have had to adapt due to the ever changing regulations and guidance around the coronavirus pandemic. This has proven to be a very exhausting and relentless task to sustain the level of all services and meet the increasing demand for our care. That said, we were able in the last year to increase once more our services particularly across our community teams and our supportive care services. In addition we managed to increase the beds available back up to 6 on our inpatient unit thanks to the return of staff who had previously been shielding and or off with COVID. All of this was essential as our caseload reached an historic high. In summary:

- We were able to resume a heightened level of Hospice to Home support as team members were no longer needed to support the bedded unit
- We were able to re-introduce one to one counselling at both Deer Park and The Long House as well as some group work at The Long House.
- The CNS team supported more people with a 40% increase in the number of visits carried out in comparison to the year before.

| Hospice Services Provision | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|
| **Number of new referrals** | **1395** | **1449** | **1439** | **1144** | **1243** |

## Your Bedded Unit

Thanks to your support we have cared for 80 people (2020/21; 92) this year. We have seen a real shift in the profile of our patients over the last 12 months with the Bedded Unit caring for more complex patients with multiple conditions. This has had a knock on effect to the staffing requirements needed to safely look after these patients. In the year we were able to increase our beds from 5 to 6 always ensuring the appropriate, safe patient to staff ratio as well as operating the bedded unit in a COVID secure way.

The year was marked though by the increasingly younger profile of patient as well as a higher level of complexity than we have ever seen before. This understandably takes its toll emotionally on our team. That said the team have demonstrated the utmost compassion and professionalism throughout.

We were delighted that in recognition of the increasing complexity of our patient profiles, coupled with the increased demand on our care on the Bedded Unit, the Board of Trustees supported the investment into an additional registered nurse onto the establishment. In so doing tangibly support the team but more importantly ensure that our patient care remains at the highest level.



**"Amazing place with absolutely wonderful staff. Angels on earth, all of them. Thank you so much for the care, compassion, love, support and dignity you showed to me, my family and my beautiful sister during her final weeks"**

Sister of a patient

## Your Community Specialist Palliative Care Nursing

Our Clinical Nurse Specialists (CNS) supported 1,043 people (2020/21 996) to die where they wanted; in their own home. Covering one of the largest rural areas in England, geography was not and never is a factor to access our care with our nurses travelling over 16,000 miles to make 2,522 visits (2020/21 1771) to patients.

As specialists in end of life care our Clinical Nurse Specialists also have a crucial role in supporting other healthcare professionals in providing quality end of life care across North Devon. In so doing the team responded to nearly 3,000 calls for specialist input from them.

The year saw a sustained and unprecedented caseload for the team. Typically one CNS would hold a caseload of approximately 27 at any particular time. This year saw that dramatically rise to 37. It was for this reason that the Board of Trustees invested in another CNS to be added to the team to support the increased demand in care.



The number of patients CNS's looked after

"My dad and I felt totally supported by all the team when my mum came home from hospital. They treated her with utmost care and compassion and made her comfortable at the end. We are very grateful."

## Your Hospice to Home

Having supported the Bedded Unit last year, the Hospice to Home team were able to return to supporting families 24hrs a day, 365 days of the year. Although the team struggled with resource throughout the year, the team spent 3,184 hours (2020/21; 1,909) caring for patients in their home.

The Hospice to Home team continues to be heavily relied upon by other healthcare teams to ensure that patients can avoid an unnecessary hospital admission, expedite discharge home after a hospital stay as well as the ultimate goal of fulfilling patient's wishes to die at home. Where this happens the benefits of this are huge for both the patient and their family.



**"We are so lucky to have North Devon Hospice. It was dad's wish to die at home and from the moment he was discharged from hospital following his diagnosis both him and the whole family were fully supported. The nurses and carers were, without exception, kind, caring, compassionate and helpful. They could not have done more to ensure that dad's final weeks were comfortable and pain free. They also supported us, his family, prepared us for what was happening and mopped up our tears when it all became too much. We couldn't have done it without them and will never forget their kindness."**

Daughter of a patient

## Your Long House

With the relaxing of some government guidelines we were able to re-introduce one to one counselling and some group work in support of the community in Holsworthy and the surrounding areas. Whilst it was evident that this was very much welcomed by those who utilised it, it was clear from speaking to our other local beneficiaries that under the continued shadow of COVID there was still a nervousness around face to face contact.

As part of engaging with the primary health and social care teams in Holsworthy, Supportive Care are now hosting and attending the bi monthly Gold Standard Framework meetings at The Long House. Other professionals actually coming into the building and experiencing The Long House environment and therapy rooms has definitely increased awareness of what the hospice can offer to palliative patients and their families. This has resulted in a recent increase in referrals to The Long House.

## Your Supportive Care

When a patient is diagnosed with a terminal illness, it is not just their life that changes forever but also their families. The emotional journey that our patients and their families go on sees many peaks and troughs. It is through walking shoulder to shoulder with them during these times that we truly live our motto of "being there for all the family".

With this in mind it was very fitting that one of our first face to face returns revolved around the support we give to bereaved families with children who had been accessing our art therapy based 'At The Moment' group.

Most of the year though saw our Supportive Care staff and volunteers delivering most one to one counselling support from home via phone and video calls and the various different support groups for patients, carers and the bereaved, via Zoom. However, as from July, we were able to start offering face to face counselling and complementary therapy sessions at Deer Park and The Long House. Even though the number of 'on site' face to face appointments is limited by COVID protocols, this was a very welcome development. Whilst those who access these appointments were pleased to meet us face to face, we also found that some clients, particularly those whose immune systems are compromised, were understandably more comfortable with continuing their support remotely. This 'hybrid' way of delivering supportive care is likely to stay but hopefully the balance will begin to shift to increased capacity and demand for face to face individual and group work sessions.

**"Thank you for**
**The kindness**
**The professionalism**
**The dedication**
**The love"**



## Your Clinical Education

A key part of North Devon Hospice fulfilling our mission is the provision of end of life care education to our healthcare partners. This does not just include the medical palliative care element but also a myriad of other skill sets and specialisms all of which have a positive impact on the care experience that end of life patients receive across North Devon. It is for this skill set that our healthcare partners turn to North Devon Hospice to provide a wide ranging education programme. With the retirement of our existing Clinical Educator and our inability to recruit to this position, we have had limited ability to provide external education other than placements for Healthcare Assistant, Nurse and GP trainees. Against this backdrop though we have used the time to focus on our own internal clinical education for the clinical teams.

## Your Feedback

To provide continued outstanding care to the patients and families that we are privileged to look after, we must ensure that our care meets the needs of the people we serve. We are here for you and only because of you. To ensure that our care is responsive to the ever changing needs of our patients and their families, we place significant emphasis on engaging with our beneficiaries to seek feedback. In so doing we ensure that there is continued improvement in everything that we do. To ensure that this feedback is independent and confidential, we utilise a third party platform called ***iwantgreatcare.org***. Through this we know that in the 2021/2022 North Devon Hospice received 31 reviews (730 since inception) and have an overall maximum rating of 5 stars.

**"The service from North Devon Hospice was outstanding - care and compassion were paramount - from the whole team. My partner was very ill when he arrived at the bedded unit and he sadly died a few days later but he was able to say how special the place is... how he felt listened too and understood, how his requests, (however odd sounding!) would be fulfilled in the blink of an eye."**

Partner of a patient

## Our Volunteers



- Without the time that our volunteers give to the hospice we would not be able to provide the level of service that we provide to patients, carers and family members. This was still the case during the last year even with all of the restrictions in place. Some of our volunteers continued throughout the year in particular our retail, gardening and counsellors
- The reporting year saw us able to return over 200 volunteers to supporting roles with approximately another 200 in the wings waiting to return soon
- Throughout the year the Volunteer Consultative Forum continued to meet virtually to act as an important communication channel to all our volunteers whether back or not. In addition the CEO produced two dedicated one hour video messages specifically for volunteers to keep them up to date on all things hospice.
- We are supporting a number of teams to prepare for the return of volunteers to Deer Park, The Long House and our community based roles, liaising closely with each team, ensuring all returning volunteer checks are completed, up to date training records are provided and all personal data is checked and updated where necessary
- We have recruited new Reception Meet & Greet volunteers who commenced their new role alongside our returning Reception volunteers at the end of March. A successful Trustee recruitment campaign has led to the appointment of 3 new Trustees to the Board along with a new NDH Ventures Director being appointed. Recruitment continues for additional retail volunteers to join our retail team. We have a considerable waiting list for applicants looking for counselling and complementary therapy placements as well as applicants waiting for us to recruit to the Bedded Unit and other clinical roles when circumstances allow
- The year was finished off with 40 representatives coming together at Deer Park to be presented with the Queen's Award for Voluntary Service from the Lord Lieutenant in person. This was the delayed presentation from the year previous due to COVID but nevertheless enabled us to recognise and acknowledge the huge impact their sustained generosity, kindness and dedication has had on the care North Devon Hospice provides.

## Our Staff



North Devon Hospice is nothing without our staff. Our care is not made outstanding without our staff. It is with that in mind that with an emotionally tiring year for our teams, we did everything we could to support out teams. In 2021 we:

- Rolled out our new Pay Framework which saw all roles move to a spot salary model
- Continued the roll out of our wellbeing plan for all staff which includes additional staff benefits such as a health cash plan as well as a weekly communication on resources available to support different aspects of life
- Continued to engage with all staff via "pulse e-surveys". These were used to check in with all staff on how they were feeling and gave them a platform to confidentially feedback on what was working well or not. From this we acknowledged the strong feeling that the organisation should move to a hybrid working model where the role allowed it
- Carried out a full staff survey in November. The outcomes of this survey were exceptional, and the verbatim feedback is both positive and, where areas for improvement identified, constructive. This was one of the most positive staff surveys we have received and with over 73% of the organisation completing it, it gave us a robust perspective on how are staff were and what actions are needed to improve things further
- Undertook a full staff equality monitoring exercise, the results of which have helped us develop our first Diversity and Inclusion Strategy which includes a defined action plan to ensure that as an organisation we do everything within our power to ensure a diverse, inclusive and equitable workforce.

# What we want to achieve

2021/22 saw the first year of our new 5 year strategy which sets out to achieve the following objectives:

1. Be there for everyone who needs us by providing outstanding end of life care
2. Walk arm in arm with every healthcare partner, to ensure local people receive the best care at the right time, in the right place
3. Provide education opportunities for the health care workforce to enhance end of life care in any setting
4. Nurture content, engaged and fulfilled employees and volunteers
5. Embrace our volunteering community and inspire people to get involved
6. Invest in technology to enhance our care
7. Have an inspired and motivated relationship with the community we serve
8. Be financially stable to continue being there for all the family.

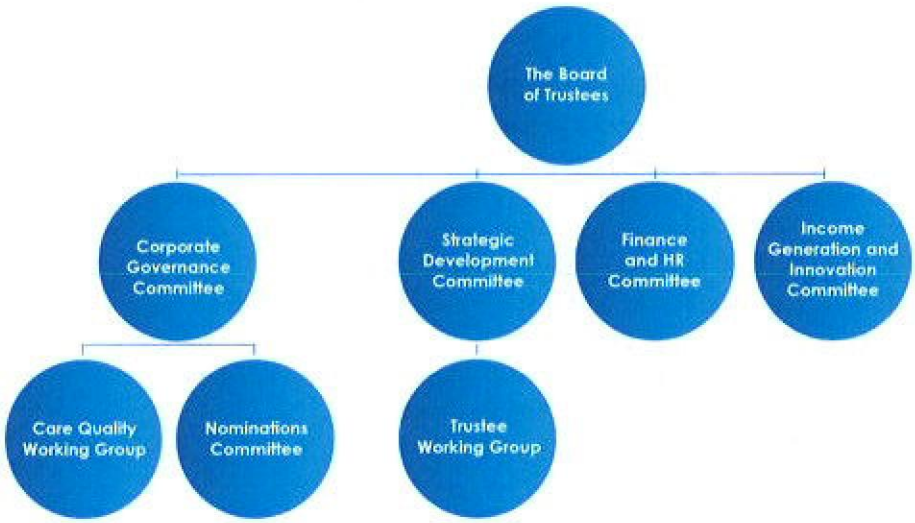
In the next 12 months our key priorities will be:

1. Focus Hospice to Home on Rapid Response
2. Increase Supportive Care provision in the community
3. Increase patient services provided on the Bedded Unit
4. Increase income from digital platforms
5. Develop a new website
6. Roll out our Diversity & Inclusion Strategy.

# Our Governance

As we are only able to provide our care thanks to the community that we serve, we are morally as well as regulatory duty bound to ensure that every single pound raised is used in the most effective way. We need to ensure that the organisation, to continue to exist, to continue to thrive and to continue to be there for all the family utilises all of our resources in the most impactful way. Effective governance is at the heart of this. Overall responsibility for our governance lies with the 12 Trustees who, alongside the Senior Management Team of 4, made up of the Chief Executive, Director of Care, Director of Finance, Director of Human Resources & Organisational Development, make up the Board. The Board of Trustees meets 4 times a year. At each board meeting the organisation's strategic objectives, annual budget and top risks are formally reviewed, challenged and agreed. In addition, the Chief Executive and the Senior Management Team report on performance, compliance, risks and opportunities in the hospice. In support of effective governance there are 4 sub-committees who in turn are supported by two working groups. This is structured as follows:

## North Devon Hospice Governance Structure




- **The Corporate Governance Committee:** Meeting four times a year, this focuses on matters of governance, regulation including health and safety, audit and risk. In addition, the Care Quality Working Group reports into this committee. North Devon Hospice's risk register is also reviewed at this committee before being presented to the Board. Under the umbrella of this committee a new committee, called the Nominations Committee, was established to cover all recruitment responsibilities relating to new Trustees and the Chief Executive on behalf of the Board

- **The Strategic Development Committee:** Meeting twice a year, this considers how the hospice is performing against the strategic plan

- **The Finance and HR Committee:** Meeting four times a year, this reviews the financial performance of the organisation against both budgets and reserves and considers whether the hospice has the resources to achieve its aims and objectives. The committee receives the report from our statutory external auditors who attend the meeting annually. This committee also reviews the HR and Organisational Development strategy, and has an overview of staff morale and wellbeing

- **Income Generation & Innovation Committee:** For North Devon Hospice to remain financially stable and best placed to support our patients and families it is essential that we are sustainable financially and as efficient and as effective as possible. To give this the appropriate level of focus this committee ensures that North Devon Hospice is maximising its income generation opportunities and remains innovative in our approach.

To further support these committees, working groups are in place to ensure a more detailed scrutiny of key areas which includes:

- **Care Quality Working Group:** To enhance the already existing focus on patient care, the Care Quality Working Group ensures effective clinical governance and audit

- **Trustee Working Group:** This working group is attended by the Board of Trustees and the Senior Management Team. This open forum is an opportunity to discuss and explore any particular topic in more detail. In this year the group met to carry out a review of level of our risk reserve, review the impact of COVID and discuss the way forward for the new pay model.

## Risk Management

North Devon Hospice recognises that having in place effective risk management greatly enhances our ability to thrive and succeed as an organisation. Never has this point been brought home more than in the face of a global pandemic

To achieve this, North Devon Hospice's risk management framework seeks to ensure that the entire risk profile of the organisation (both strategic as well as operational) is effectively identified and where possible managed

North Devon Hospice defines risk as: *"The threat that an event, action or failure to act will adversely affect North Devon Hospice's ability to achieve its objective, capture opportunities or to deliver its aims to the required standards"*

North Devon Hospice defines risk management as: *"The proactive identification, evaluation, control and continued monitoring of those risks that threaten the assets, people, patients or reputation of North Devon Hospice"*

North Devon Hospice has in a place a Risk Committee, Chaired by the Chief Executive and includes the Director of Finance, Head of Facilities as well as the Quality Lead. This committee meets throughout the year to review the departmental risk registers and the strategic risk register before then being able to create the North Devon Hospice Top 5 Risks Register. A tailored risk assessment criteria which allows for risks to be scored across several criteria such as reputational impact, financial impact and service interruption is used to prioritise the risks identified.

Due to COVID, we established a separate risk register dedicated to this particular risk. This enabled us to effectively capture the risk footprint of the pandemic and how it would impact us. This is reviewed regularly at the COVID meetings held by the SMT.

The Current Top 5 Risks to the success of North Devon Hospice's are:

Currently North Devon Hospice's Top 5 Risks are:

| Risk | Key Risk Action Plan |
|---|---|
| **Inability to fund people resource** | 1. Cost management review<br>2. H2H service review<br>3. Actively seeking diversification of income<br>4. Care model review<br>5. COVID 19 action plan |
| **Macro-economic conditions** | 1. Further develop and deliver Comms and Marketing strategy<br>2. Cost management review<br>3. Promote the need for continued financial support as a local charity<br>4. COVID 19 action plan |
| **Inability to secure required funding** | 1. Formal H2H pitch under review with commissioners<br>2. Continued pressure on Hospice UK to cover future NHS pension costs.<br>3. Continued communications with CCG, Hospice UK, and other relevant parties to ensure appropriate pandemic funding is maintained.<br>4. COVID 19 action plan |
| **Decrease in legacies** | 1. Continued roll out of "Forever Stone" Legacy campaign to increase gifts in wills. |
| **No Palliative Care Consultant** | 1. Proactive recruitment campaign for Palliative Care Consultant without re sponsibility as Medical Director |

It is against these top risks that the Board of Trustees are able to establish a clear line of sight on the levels the organisation should hold within its risk reserves.

## Senior Management Team Remuneration

The Board of Trustees are responsible for setting remuneration levels for the charity's senior staff. The key objective for North Devon Hospice is to ensure that our approach is to offer fair pay to attract and keep appropriately qualified staff to lead, manage, support and/or deliver our objectives. In deciding Senior Management Team remuneration, as a Board of Trustees we have considered:

- The purposes, aims and values of the charity and its beneficiary needs

- How this remuneration impacts on the overall pay policy for all employees and for the Senior Management Team in particular
- The types of skills, experiences and competencies that North Devon Hospice needs from its Senior Management Team, the specific scope of these roles and the link to pay
- The charity's strategic plan and how the implementation of this plan may affect the number of senior staff the charity needs to employ or recruit and the nature of these roles
- The charity's ability to pay. This includes the cost to the charity of raising pay, whether it is sustainable, how appropriate the level of pay is, and any pay increase, is in the context of the charity, as measured against the needs of its charitable purposes and beneficiaries
- The board's assessment of the charity's performance and the Senior Management Team's performance against expectations, in both short and long term
- Appropriate available information on pay policies and practices in other organisations that can inform the decision on whether a level of pay is fair and reasonable. This has been achieved through using Association of Chief Executives of Voluntary Organisations, as well as National Council for Voluntary Organisations as well as looking at other hospices, charitable organisations and the private sector.

In addition to the above and in accordance with the Statement of Recommended Practice (SORP) North Devon Hospice, within our audited and published annual report and accounts, discloses the number of employees whose remuneration exceeds £60,000.

Therefore with a Senior Management Team pay scale established and with the performance of the Senior Management Team formally reviewed on an annual basis against set objectives, the Trustees of North Devon Hospice are satisfied that there is appropriate, robust, transparent and fair remuneration in place for its Senior Management Team. This is particularly true this year following the organisation wide review of pay which led to the roll out of a new spot salary model. The Senior Management Team's pay formed part of this review and was independently benchmarked.

# Annual Financial Report

- At the start of the financial year we were still in the 3rd lockdown of COVID, which had a significant impact on our ability to fundraise and meant our shops were closed. As the year continued we were able with caution to start again with our fundraising and see the footfall gradually come back to our shops. In the early part of the year we received incredible support through sponsorship of Max the 'Boy In The Tent' which plugged the gap of our own fundraising
- We generated a surplus of £283k (2020/21 £3.7m). Added to this is a positive revaluation of investments, £302k (2020/21 £1.094m) as the stock markets rallied towards the end of the financial year, following previous negative results due to the war in Ukraine. This meant that we were able to transfer a net surplus of £584k to reserves during the year bringing our reserves to £14.3 million (2020/21 £13.7m). The financial results are detailed on the Consolidated Statement of Financial Activities on page 36 of the report
- During the financial year we launched our new 5 year strategy, as part of this we moved all staff across to a new 'spot salary' pay structure. The new pay model is based on benchmarking all roles against the market place and ensures we pay staff no less than 5%

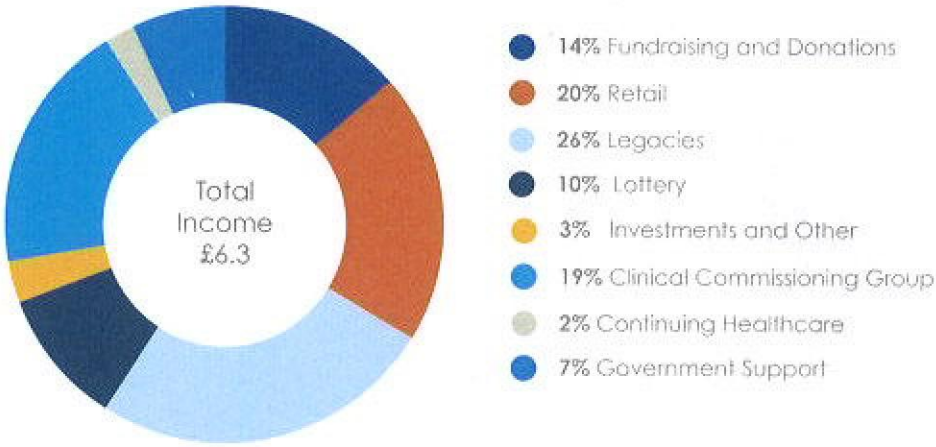
of the market median. Thus ensuring that we recruit and retain the right skill mix of staff to deliver high quality care to our patients and their families

- We continue to manage our finances to ensure we are best placed to deliver high quality services to our patients and their families. In the year we saw an increase in all clinical expenditure as we strive to react to our patient's needs, this included an additional nurse both on our Bedded Unit and in our Community Nursing teams. In total our expenditure for the year rose to £6.056m (2020/21 £5.514 m) an increase of 9.8%
- Trustees continue to look at our financial modelling over the next 5 years to ensure that we have suitable reserves to deliver both our current services and also extend these services as outlined in our strategy. Having reviewed this they are comfortable about our going concern position and that we have both a sufficient risk based reserve and designated reserves to ensure we achieve our strategic objectives
- During the year we have taken advantage of further government funding that has been made available, this has come from business grants to support our shops and NHSE central funding to support both beds and community services during the winter COVID peaks in late 2021 early 2022.

## Income

- With the reintroduction of our fundraising events following lockdown we saw an 9% increase in income in this area, which is a great start to the recovery following COVID, our income is still not to the pre pandemic levels and this year is about 80% of 'normal'
- Legacies and in Memoriam donations of £1.6 million were significantly less than the previous year (2020/22 £2.8m). That said legacies were in line with our expectations, following two exceptional years of legacy income. We are always very conscious of the fact that legacy income is very unpredictable
- In memoriam donations totalled £783k (2020/21 £375k) much of this underpinned by Max the 'Boy In The Tent' who has camped out in memory of his neighbour and friend
- As our shops reopened part way through April we have seen footfall slowly return. It has been a difficult time with retail this year with confidence in the high street being cautious, alongside challenges of keeping shops open with both staff and volunteers having to isolate due to COVID. This has resulted in a small loss overall for retail of £15k (2020/21 £401k trading loss). However we are confident that the sector will grow and have invested in expanding our online retail offering to enhance our bricks and mortar shops
- Lottery income remained constant at £648k (2020/21 £648k), canvassing was reintroduced this year after being paused during the height of the pandemic and has started to gain momentum towards the end of the financial year. Our expectation is to see an increase in income in 2022/23
- Our annual grant from NHS Devon increased by £15k (1.3%), to £1.13m, the grant contributes to the running of our Bedded Unit and our Community Nurse Specialists in the community. We also received a one-off payment of £30k to support our Hospice to Home service
- NHSE funding of £389k was received from government to support both beds and community services during the winter COVID peaks in late 2021 early 2022.

Where our money came from

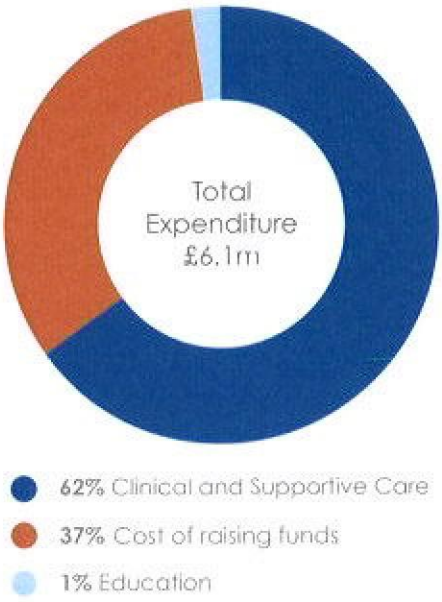



## Expenditure

- Expenditure for the year totalled £6.056m (2020/21 £5.514m). Of this expenditure £138k was paid for from restricted income. Specifically the monies received from NHSE grant funding which account for £270k of it
- The cost of raising funds totalling £2.24million (2020/21 £1.841million) has increased as we reintroduced our fundraising activities and reopened our shops.
- Expenditure on charitable activities increased this year to £3.816 million (2020/21 £3.67 million) as we were able to further increase activities in frontline services as we came out of the pandemic. This is reflected in the number of beneficiaries we were able to support 1,657 (2020/21 1,589) during the year
- Capital expenditure this financial year totalled £153k, an increase of £36k from the previous year. We were delighted with the refurbishment of the Terrace Café and Patients Dining Room which took place this year before the free flow of footfall returned to site. The refurbishment cost £56k and has created a beautiful homely environment where patients, families and other beneficiaries can have coffee and cake, cosy chats or a delicious meal. During the year we also invested in new mattresses for our inpatient beds as well as new patient reclining arm chairs.

- The charity has a wholly owned trading subsidiary called NDH Ventures Ltd. The trading activities of this company are the hospice lottery, and bought in goods which we sell through our shops. The profit for this company of £484k is gifted to the charity (2020/21: £485k)

Where our money was spent




## Investments and Reserves Policy

- The hospice has a policy which seeks to ensure that not only are investments made ethically, but that the investment strategy precludes investing in any company whose principal activities have an adverse impact on the underlying beneficiaries of the hospice
- The main areas of investment exclusion are those companies who have involvement in the manufacture or sale of weapons specifically landmines, cluster bombs, weapons of mass destruction, and chemical weapons or similar, or derive more than 10% of their turnover from tobacco or alcohol products, or provide no evidence of response to allegations of severe damage to ecosystems, natural habitats or populations of species i.e. biodiversity (for high and medium risk issues), or those who have breached a discharge consent for a Red list substance in the last three years or provided no evidence of response to allegations of breaches of core International Labour Organisation standards on child labour or forced labour in its own or its supply chain operations, or derive more than 10% of its turnover from the extraction of thermal coal, tar sands or oil shale. Any investment that initially passes the above tests, but then subsequently fails would be sold within the shortest reasonable period of time
- Newton Investment Management are appointed to manage the investment portfolio, their objectives are to achieve a balanced return from income and capital growth over the long-term
- At the beginning of this financial year our investment portfolio was valued at £5.64 million (2020/21 £3.8m). During the year we added an additional £750k (2020/21 £750k) to the portfolio due to cash being received from legacies
- At the end of this year we had a positive investment revaluation of £301k (2020/21 £1.094). This increase has been transferred to reserves and a designated reserve has been set aside to offset any future losses. This is further detailed below. The portfolio at the end of the year was valued at £6.7m million (2020/21 £5.64m)

- We hold cash both in our current account for working capital purposes and in a number of deposit accounts. The total cash holding at year end was £2.2million (2020/21 £2.6m) due to cash received from legacies and NHSE COVID funding received into our bank accounts close to year end
- The Finance and HR Committee measures the performance of our portfolios against various benchmarks. Quarterly reports are received from our brokers. The Board of Trustees meet with our investment brokers annually

  As part of effective financial management and forward financial planning, Trustees review the level of reserves held on a regular basis. Trustees look forward over the next 5 years and consider various scenarios which could affect our income or cost base. For example, considering the impact of a significant drop in legacy income, which is always an area of great uncertainty, or what is happening in the external environment which may affect our cost base or our ability to raise income, the last two years has highlighted the need for this more than any. Specifically in setting the level of reserves the following steps are taken;

## 1. Identifying any reserves which are restricted

Restricted funds can only be used for the purposes specified. These restrictions can be created because of the wording of a public appeal, through the terms of an award granted or the use may be specified by the donor.

## 2. Identifying functional assets

The Trustees consider the fixed assets to be essential to the delivery of the charity's aims therefore the cost of such assets can be designated and excluded from the calculation of reserves.

## 3. Understanding the impact of risk

When setting the level of reserves the Trustees look at the risks and uncertainties facing the charity. This is done by reviewing the top risks to the organisation and attributing a value to them. In doing this the Trustees consider the different types of income stream, any vulnerability around sudden or unforeseen decline in a particular income source. Furthermore they consider the agreement in place for Clinical Commissioning Group (CCG) NHS funding and whether income is likely to be affected by the general economic situation, as well as the strength in relationship between the hospice, its donors and financial supporters. It then looks at its cost base and considers what risks there are to increased costs in working, for example is there a skills shortage in a particular area or will changes in demographic put a greater burden on services, what are the changing needs of our beneficiaries, and are we meeting demand.

The Trustees believe that the risk based reserve set last year of £2.85 million is still an appropriate level, for normal risks facing the organisation. However in light of COVID the Trustees have further designated a reserve to specifically address this risk. This is detailed below:

## Restricted reserves

The total value of restricted reserves is £81k as of 31st March 2022 (2020/21: £126k) which is identified as follows:

- Patient services – £16k (2020/21: £39k) of reserves are restricted for the further enhancement of services delivered to patients and will be used in accordance to the donors' wishes
- Capital Projects – £62k (2020/21: £85k) has been restricted for capital projects relating to improvements predominantly to support patient areas and includes, monies for the refurbishment of our 7 bedded in patient unit during summer 2022.
- The Long House – £2k (2019/20: £2k) relates specifically to the projects at The Long House, our outreach centre in Holsworthy. Now that we have started to reopen services at The Long House following the pandemic we will be able to utilise these funds in the coming year.
- COVID – we received £389k from NHSE (2020/21 £1.683m) to allow us to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation. All funding was utilised during the year.

## Designated Reserves

The Trustees have identified the need for the following designated reserves:

- Building and Assets – as previously stated the Trustees consider fixed assets essential to the delivery of the charity's aims, as such a fund equal to the net book value of hospice fixed assets, which cannot be used to fund expenditure without being sold has been set aside. This year saw a decrease in this fund of £75k (2020/21: decrease £117k) being the net of additions in the year and the annual cost of depreciation

- Investment Reserve – the charity holds £6.7million (2020/21 £5.2 million) in investments, a fund is held equal to the revaluation of investments to market value at the balance sheet date which have not been realised. This year saw an increase in this fund of £302k (2020/21: increase £1094), bring the reserve to £1.97million (2020/21£1.67m)

- Risk based Reserve – as previously described the Trustees review as part of the risk management and financial planning process the level of reserves to cover the financial impact of the main risks to the charity including exposure to changes in income or expenditure. This year the fund remained at £2.85m (2020/21: £2.85m)

- Income diversification – the Trustees have identified the need to establish an alternative sustainable source of income in addition to our current income streams. Having reviewed the reserve it is to remain at £600k

- Hospice to Home – recognising the huge importance of our Hospice to Home team who provide hands on nursing in patients homes, the Trustees have set aside funds equivalent to the cost of the service for the next five years, whilst we continue to work with the CCG to find sustainable funding for this service. We have used £304k of funds to support Hospice to Home this year. This leaves a fund of £1.53 million to provide this service, without any further growth in the team, over the next 4 years

- Strategy 2021-2026 – we launched the new 5 year strategy this year which had previously been delayed due to COVID. The strategy has been refined in light of the pandemic and reviewed taking into account future needs. A number of key projects and milestones have been identified to achieve this strategy, as a result the Trustees increased these designated funds to support the strategy moving forward.

    - Service Provision and Organisational Development- we used £266k of the funds this year to implement the new pay model to ensure that staff are paid no less than 5% below the market median for their roles, thus ensuring that we are able to attract and retain the highly skilled staff we need to sustain and develop our services. Additional funds of £1.215 million have been added to this reserves to support the updated strategy. The total fund at the end of the year to support our strategy through to 2026 is £2.944 million (2020/21 £1.995 m). As we look to further develop services to enhance the support to our patients and their families and be more responsive to their changing needs

    - Digital Development and Innovations- during the year ended March 2022 we utilised £5k of this fund. The funds of £271k (2020/21: £318k) will be used to support further digital development and innovation as identified in our strategy, including initiatives such as digital tap and go donations, improving patient access via digital technology particularly for those in remote locations and improved education access via podcasts and webinars

- COVID response – this fund of £472K has been completely utilised during the year to support the ongoing impact of COVID on our ability to fundraise, therefore at the end of the year the balance on this fund is zero.

# Statement as to disclosure of information to auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charity's auditors are unaware; and
- 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 auditors are aware of that information.

# Statement of Trustees Responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and 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 charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

On behalf of the board,



**Mrs. Sharon Bates**
Chair of Trustees
21/7/22

# 2. North Devon Hospice Information

| | |
|---|---|
| **Status**<br>The Charity's governing document is its Articles of Association | |
| **Charity number** | 286554 |
| **Company registration number** | 1696150 |
| **Registered office** | North Devon Hospice<br>Deer Park Road<br>Newport<br>Barnstaple<br>Devon<br>EX32 0HU |
| **The Board of Trustees** | Dr. Annabelle Tree (stepped down March 2022)<br>Dave Cottingham<br>Kate Cox<br>Mary Brooks<br>Peregrine Mears (stepped down August 2021)<br>Rob Withecombe<br>Sharon Bates; Chair<br>Teresa Turner (stepped down January 2022)<br>Tom Parkin (stepped down October 2021)<br>Jennifer Wilmott<br>Zara Svensson<br>Rachel Loosemore<br>Iain Spear (appointed April 2022)<br>Kevin Underwood (appointed April 2022)<br>Lisa McCormack (appointed April 2022) |
| | |
| **Chief Executive & Secretary** | Stephen Roberts |
| **Senior Management** | Cate Oliver, Director of Human Resources and Organisational Development<br>Josephine Dedes, Director of Care<br>Samantha Husband, Director of Finance |
| **Auditors** | PKF Francis Clark<br>Blackbrook Gate 1<br>Blackbrook Business Park<br>Taunton TA1 2PX |
| **Bankers** | National Westminster Bank<br>41 High Street<br>Barnstaple<br>Devon<br>EX31 1DH |
| **Solicitors** | Tozers LLP<br>Broadwalk House<br>Southernhay West<br>Exeter<br>EX1 1UA |

| | |
|---|---|
| **Pension advisors** | Davisons Financial Management<br>Lime Court<br>Pathfields Business Park<br>South Molton<br>North Devon<br>EX36 3LH |
| **Stockbrokers** | Newton Investment Management<br>160 Queen Victoria Street<br>London<br>EC4V 4LA |
| **Patron** | Countess of Arran |
| **Vice Presidents** | John Brend<br>Geoffrey Cox QC<br>Gavyn Davies OBE<br>Sir Nick Harvey<br>Philip Jewell<br>Ron Ley MBE<br>David Morgan<br>Mark Parkhouse DL<br>John Riley<br>The Hon. John Rous DL<br>Lady Stucley<br>David Whitely |

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

## Opinion

We have audited the financial statements of North Devon Hospice (the 'Charitable Company') for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement, 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 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 and Charitable Company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including 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 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 the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate and that the trustees have disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

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.

### Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the strategic report.

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 30, the trustees 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 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

### 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Group. We gained an understanding of the sector in which the Group operates as part of this assessment to identify the key laws and regulations affecting the Group. The regulatory environment was discussed with the relevant individuals responsible for compliance and the Group's website for indication of any regulations and certification in place. The key regulations we identified were health and safety regulations, CQC regulations and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities: Statement of Recommended Practice (SORP).

We discussed with management how the compliance with these laws and regulations in monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Group's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of up to date correspondence with the CQC, CQC website and last inspection report to identify any non-compliance.
- Review of the group's GDPR policy and enquiries to the Data Protection Officer as to the occurrence and outcome of any reportable breaches.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to cash income and expenditure, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud, of which there were none. Based upon our understanding we designed and conducted audit procedures including:

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the 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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

.....

**Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)**
**PKF FRANCIS CLARK**
Chartered Accountants and Statutory Auditor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Date: 29th July 2022

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Consolidated Statement of Financial Activities
## Including Consolidated Income and Expenditure Account
## For the Year Ended 31 March 2022

| | Note | Unrestricted Funds 2022 £ | Restricted Funds 2022 £ | Total Funds 2022 £ | Unrestricted Funds 2021 £ | Restricted Funds 2021 £ | Total Funds 2021 £ |
|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | |
| Legacies & In Memoriam Donations | | 1,625,270 | - | **1,625,270** | 2,869,861 | 476 | 2,870,337 |
| Fundraising & Donations | | 782,637 | 39,130 | **821,767** | 689,567 | 63,045 | 752,612 |
| Gifts in Kind | | 36,345 | - | **36,345** | 53,433 | - | 53,433 |
| Charitable activities | | | | | | | |
| Income from supporting Direct Patient Care | | 1,364,456 | - | **1,364,456** | 1,434,089 | - | 1,434,089 |
| Educational Services | | 4,130 | - | **4,130** | 2,395 | - | 2,395 |
| Other trading activities | | 1,940,762 | - | **1,940,762** | 1,242,851 | - | 1,242,851 |
| Investments | | 137,570 | - | **137,570** | 102,503 | - | 102,503 |
| Other | | 20,283 | 389,015 | **409,298** | 21,281 | 1,683,084 | 1,704,365 |
| **TOTAL INCOME** | 3 – 7 | 5,911,453 | 428,145 | **6,339,598** | 6,415,980 | 1,746,605 | 8,162,585 |
| **EXPENDITURE** | | | | | | | |
| Raising funds | | 2,240,529 | - | **2,240,529** | 1,163,328 | 678,235 | 1,841,563 |
| Charitable activities | | | | | | | |
| Supportive Care | | 542,636 | 10,098 | **552,734** | 372,590 | 156,368 | 528,958 |
| Hospice to Home | | 435,826 | 102,299 | **538,125** | 309,604 | 142,911 | 452,515 |
| Community | | 499,884 | 107,390 | **607,274** | 439,570 | 164,590 | 604,160 |
| In Patient Unit | | 1,844,070 | 217,290 | **2,061,360** | 1,431,676 | 551,764 | 1,983,440 |
| Education | | 56,959 | - | **56,959** | 75,545 | 28,287 | 103,832 |
| **TOTAL EXPENDITURE** | 8 | 5,619,904 | 437,077 | **6,056,981** | 3,792,313 | 1,722,155 | 5,514,468 |
| **NET INCOME / (EXPENDITURE) BEFORE NET GAINS/ (LOSSES) ON INVESTMENTS** | | 291,549 | (8,932) | **282,617** | 2,623,667 | 24,450 | 2,648,117 |
| Net gains / (losses) on investments | | 301,587 | - | **301,587** | 1,094,300 | - | 1,094,300 |
| **NET INCOME / (EXPENDITURE) FOR THE YEAR** | | 593,136 | (8,932) | **584,204** | 3,717,967 | 24,450 | 3,742,417 |
| Transfers between funds | 27 | 36,827 | (36,827) | - | 49,457 | (49,457) | - |
| **NET MOVEMENTS IN FUNDS** | | 629,963 | (45,759) | **584,204** | 3,767,424 | (25,007) | 3,742,417 |
| **RECONCILIATION OF FUNDS** | | | | | | | |
| **FUNDS BROUGHT FORWARD** | 27 | 13,611,518 | 126,416 | **13,737,934** | 9,844,094 | 151,423 | 9,995,517 |
| **FUNDS CARRIED FORWARD** | 27 | 14,241,481 | 80,657 | **14,322,138** | 13,611,518 | 126,416 | 13,737,934 |

The notes on pages 39 to 57 form an integral part of these financial statements.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Consolidated and Company Balance Sheet
## For the Year Ended 31 March 2022

| | Note | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 15 | **21,573** | 36,013 | **21,573** | 36,013 |
| Tangible assets | 16 | **3,308,296** | 3,370,576 | **3,308,296** | 3,370,576 |
| Investments | 19 | **6,696,161** | 5,644,574 | **6,781,735** | 5,730,148 |
| | | **10,026,030** | 9,051,163 | **10,111,604** | 9,136,737 |
| **CURRENT ASSETS** | | | | | |
| Stock | 20 | **12,530** | 31,764 | - | - |
| Debtors | 21 | **2,524,511** | 2,539,636 | **2,518,368** | 2,537,107 |
| Cash at bank and in hand | 22 | **2,212,720** | 2,599,728 | **2,201,448** | 2,590,920 |
| | | **4,749,761** | 5,171,128 | **4,719,816** | 5,128,027 |
| **LIABILITIES** | | | | | |
| Creditors: Amounts falling due within one year | 23 | **(451,132)** | (481,836) | **(507,416)** | (524,965) |
| **NET CURRENT ASSETS** | | **4,298,629** | 4,689,292 | **4,212,400** | 4,603,062 |
| **PROVISIONS** | 25 | **2,521** | 2,521 | - | - |
| **NET ASSETS** | | **14,322,138** | 13,737,934 | **14,324,004** | 13,739,799 |
| **FUNDS** | | | | | |
| **Unrestricted Funds** | | | | | |
| General funds | 27 | **746,405** | 534,095 | **748,271** | 535,960 |
| Investment revaluation reserve | 27 | **1,969,007** | 1,667,421 | **1,969,007** | 1,667,421 |
| Designated funds | 27 | **11,526,069** | 11,410,002 | **11,526,069** | 11,410,002 |
| | | **14,241,481** | 13,611,518 | **14,243,347** | 13,613,383 |
| **Restricted Funds** | 27 | **80,657** | 126,416 | **80,657** | 126,416 |
| **TOTAL FUNDS** | | **14,322,138** | 13,737,934 | **14,324,004** | 13,739,799 |

The financial statements were approved by the trustees on 21/7/22... and signed on their behalf by:

.....

Mrs. Sharon Bates
Chair of Trustees

Company Registration Number: 1696150

The notes on pages 39 to 57 form an integral part of these financial statements.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Consolidated Statement of Cash Flows
## For the Year Ended 31 March 2022

| | Note | 2022 £ | 2021 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net income/(expenditure) for the year | | 584,204 | 3,742,417 |
| **Adjustments to cash flows from non-cash items** | | | |
| Depreciation charge | 9 | 215,844 | 217,176 |
| Amortisation charge | 9 | 14,440 | 16,546 |
| (Gains)/loss on investments | | (301,587) | (1,094,300) |
| Dividends and interest from investments | | (137,570) | (102,503) |
| Loss/(profit) on the disposal of fixed assets | 9 | 195 | 28 |
| | | 375,526 | 2,779,364 |
| **Working capital adjustments** | | | |
| (Increase)/decrease in stock | 20 | 19,234 | 6,507 |
| (Increase)/Decrease in debtors | 21 | 15,125 | (834,427) |
| Increase/(decrease) in creditors | 23 | (30,704) | (8,559) |
| **Net cash flows from operating activities** | | 379,181 | 1,942,885 |
| **Cash flows from investing activities** | | | |
| Dividends and Interest from investments | | 137,570 | 102,503 |
| Payments to acquire intangible fixed assets | | - | - |
| Payments to acquire tangible fixed assets | | (153,759) | (116,587) |
| Proceeds from sale of investments | | - | - |
| Payments into investments | | (750,000) | (750,000) |
| **Net cash flows from investing activities** | | (766,189) | (764,084) |
| **Net increase in cash and cash equivalents** | | (387,008) | 1,178,801 |
| **Cash and cash equivalents at 1 April** | 22 | 2,599,728 | 1,420,927 |
| **Cash and cash equivalents at 31 March** | 22 | 2,212,720 | 2,599,728 |

The notes on pages 39 to 57 form an integral part of these financial statements.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2022**

## 1. Company status

The company is a registered charity and a company limited by guarantee incorporated in England and Wales, without share capital. The address of the registered office, and main trading address, is North Devon Hospice, Deer Park Road, Newport, Barnstaple, Devon, EX32 0HU. The guarantors are the members to the extent of £1 each. There were 38 (2021: 35) members at the balance sheet date.

## 2. Accounting policies

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

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 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

The accounts are presented in Sterling which is also the functional currency of the group.

### Group financial statements

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary, NDH Ventures Ltd., 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 section 408 of the Companies Act 2006.

### Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the group 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified by the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent assets and disclosed if material.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2022**

## 2. Accounting policies *(continued)*

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

### Donations of gifts, services and facilities

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

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

### Interest receivable

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

### Fund accounting

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

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 27.

### Resources expended

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 relates to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services to our patients and their families as well as educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2022**

## 2. Accounting policies *(continued)*

### Allocation of support costs

Resources expended are allocated to the particular charitable activity where the cost relates directly to that activity. However, other support costs not directly related are 100% allocated to charitable activities based on a combination of headcount, space and discrete charges.

### Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

### Intangible fixed assets and amortisation

Intangible fixed assets, consisting of software, are capitalised at purchase cost and amortised over their useful economic lives. Amortisation costs are allocated to activities on which the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate that their carrying value may exceed their realisable value and value in use.

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

| | |
|---|---|
| Software | 5 years |

### Tangible fixed assets and depreciation

Individual items purchased below £500 are not normally considered as capital expense unless its useful life is greater than 4 years. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their realisable value and value in use.

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

| | |
|---|---|
| Freehold land | Not depreciated |
| Freehold building | 50 years straight line |
| Leasehold property improvements | 5-20 years straight line |
| Fixtures and fittings | 5 years straight line |
| Computer equipment | 5 years straight line |
| Motor vehicles | 5 years straight line |

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2022**

## 2. Accounting policies *(continued)*

### Listed investments

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

The historic cost of investments is calculated on a FIFO basis.

### Investments in subsidiaries

Investments in subsidiaries are initially recorded at cost.

### Stock

Stock is stated at the lower of cost and net realisable value. In general, cost is determined on a 'first in, first out' basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are not valued as the charity would not otherwise have bought them.

### Cash at bank and in hand

Cash at bank and 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 the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

### Pension costs

The group operates a defined contribution pension scheme and contributes into two defined benefit pension schemes. Contributions into the defined contribution scheme are recognised in the statement of financial activities in the period in which they become payable in accordance with the rules of the scheme. Defined benefit pension funds have been accounted for as defined contribution schemes since these are a state plan and a multi-employer scheme, and the group is unable to identify its share of the underlying assets or liabilities of these funds.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2022**

## 2. Accounting policies *(continued)*

### Financial instruments

The group only has financial assets and financial liabilities that qualify as basic financial instruments, being investments, trade debtors and trade creditors. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value. Any losses arising from impairment ('doubtful debts') are recognised in the statement of financial activities.

### Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the trustees have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provision is made against specific trade debtors where recoverability is considered doubtful.

Legacy income which is recognisable under the income recognition policy, but has not yet been received, is provided for as accrued income until paid. The accrued income is provided at the level estimated within Probate documentation, less low level provisions for solicitor costs etc.

Key management personnel for the purposes of disclosure are considered to be the trustees and senior management team. The trustees are not remunerated.

The Trustees are satisfied, having considered the current financial position and performance of the charity in light of the ongoing Covid-19 challenges, that the going concern assessment (which is a critical accounting judgement) remains appropriate. In making this assessment, the Trustees have sensitised their financial forecasts and cash flow projections for the next 12 months (from the date of approval of these financial statements) to take account of reasonably possible changes in funding and income levels, in order to determine when, and to what extent any further cost management measures – which have already been identified- may need to be implemented. Management have made all necessary enquiries of key stakeholders and adapted the various service provisions such that the core care provision both in the hospice properties and in the community continue un-interrupted and, as such, the related funding is expected to continue at expected levels. In addition, management have adapted charitable fundraising strategies and established plans for the re-opening of the retail shop network in April 2021 as appropriate in the light of UK Government guidance and commercial risk and opportunity.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2022

### 3. Income from donations, gifts and legacies

| | Unrestricted £ | Restricted £ | 2022 £ | 2021 £ |
|---|---|---|---|---|
| Legacies & In Memoriam Donations | 1,625,270 | - | **1,625,270** | 752,612 |
| Fundraising & Donations | 782,637 | 39,130 | **821,767** | 2,870,337 |
| Gifts in Kind | 36,345 | - | **36,345** | 53,433 |
| | **2,444,252** | **39,130** | **2,483,382** | 3,676,382 |

### 4. Income from charitable activities

| | Unrestricted £ | Restricted £ | 2022 £ | 2021 £ |
|---|---|---|---|---|
| CCG Grant | 1,235,346 | - | **1,235,346** | 1,308,037 |
| CHC Funding | 129,110 | - | **129,110** | 126,052 |
| Sub-total for Income supporting Direct Patient Care | 1,364,456 | - | **1,364,456** | 1,434,089 |
| Educational Training | 4,130 | - | **4,130** | 2,395 |
| Total income from charitable activities | **1,368,586** | - | **1,368,586** | 1,436,484 |

### 5. Income from other trading activities

| | Unrestricted £ | Restricted £ | 2022 £ | 2021 £ |
|---|---|---|---|---|
| Shops & Monopoly | 1,256,314 | - | **1,256,314** | 308,489 |
| Lottery | 647,112 | - | **647,112** | 648,676 |
| Business Grants | 37,336 | - | **37,336** | 285,686 |
| | **1,940,762** | - | **1,940,762** | 1,242,851 |

### 6. Income from investments

| | Unrestricted £ | Restricted £ | 2022 £ | 2021 £ |
|---|---|---|---|---|
| Dividends | 135,451 | - | **135,451** | 98,932 |
| Deposit Interest | 2,119 | - | **2,119** | 3,571 |
| | **137,570** | - | **137,570** | 102,503 |

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2022**

## 7. Other Income

| | Unrestricted | Restricted | 2022 | 2021 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Government Covid Support | - | 389,015 | **389,015** | 1,427,296 |
| Coronavirus Job Retention Scheme (Furlough) | - | - | **-** | 180,788 |
| CCG Support for Coronavirus | - | - | **-** | 75,000 |
| Disposal of Assets | (195) | - | **(195)** | 2,922 |
| Other | 20,478 | - | **20,478** | 18,359 |
| | **20,283** | **389,015** | **409,298** | 1,704,365 |

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2022**

## 8. Analysis of expenditure

| | Cost of raising funds £ | Supportive care £ | Hospice to Home £ | Community £ | In Patient Unit £ | Education £ | Governance costs £ | Support costs £ | 2022 Total £ | 2021 Total £ |
|---|---|---|---|---|---|---|---|---|---|---|
| Staff costs | 1,096,444 | 366,334 | 385,454 | 443,520 | 1,244,866 | 21,316 | - | 830,709 | **4,388,643** | 4,132,636 |
| In Patient Unit | - | - | - | - | 217,280 | - | - | - | **217,280** | 227,295 |
| Community | - | - | - | 23,878 | - | - | - | - | **23,878** | 19,262 |
| Supportive Care | - | 30,269 | - | - | - | - | - | - | **30,269** | 20,261 |
| Education | - | - | - | - | - | 1,107 | - | - | **1,107** | 1,903 |
| Hospice to home | - | - | 47,409 | - | - | - | - | - | **47,409** | 40,346 |
| Fundraising Activities | 156,153 | - | - | - | - | - | - | - | **156,153** | 56,999 |
| Shops | 462,467 | - | - | - | - | - | - | - | **462,467** | 352,576 |
| Lottery & Sheppard's | 128,969 | - | - | - | - | - | - | - | **128,969** | 116,280 |
| Facilities & Premises | - | - | - | - | - | - | - | 119,718 | **119,718** | 98,313 |
| Catering | - | - | - | - | - | - | - | 19,620 | **19,620** | 15,290 |
| House Keeping | - | - | - | - | - | - | - | 15,034 | **15,034** | 13,133 |
| Finance & IT | - | - | - | - | - | - | 15,329 | 99,083 | **114,412** | 96,572 |
| Administration | - | - | - | - | - | - | 5,463 | 19,382 | **24,845** | 17,274 |
| Communication | - | - | - | - | - | - | 7,218 | 41,790 | **49,008** | 61,127 |
| Human Resource | - | - | - | - | - | - | - | 27,886 | **27,886** | 11,479 |
| Depreciation | 41,846 | - | - | - | - | - | - | 188,437 | **230,283** | 233,722 |
| | 1,885,879 | 396,603 | 432,863 | 467,398 | 1,462,146 | 24,423 | 28,010 | 1,361,659 | **6,056,981** | 5,514,468 |
| Support Costs | 353,438 | 148,818 | 97,673 | 135,159 | 593,664 | 32,907 | - | (1,361,659) | - | - |
| Governance costs | 1,212 | 7,313 | 7,589 | 4,717 | 5,550 | 1,629 | (28,010) | - | - | - |
| **Total expenditure** | **2,240,529** | **552,734** | **538,125** | **607,274** | **2,061,360** | **56,959** | - | - | **6,056,981** | 5,514,468 |
| Total expenditure 2021 | 1,841,563 | 528,958 | 452,515 | 604,160 | 1,983,440 | 103,832 | - | - | 5,514,468 | 6,141,568 |

Of the total expenditure, £5,738,869 was unrestricted (2021: £3,792,313) and £318,112 was restricted (2021: £1,722,155).

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2022

### 9. Net incoming resources for the year

This is stated after charging / crediting:

| | 2022 £ | 2021 £ |
|---|---|---|
| Amortisation | 14,440 | 16,545 |
| Depreciation | 215,844 | 217,176 |
| Loss/(profit) on disposal of fixed assets | 195 | (2,922) |
| Operating lease rentals: | | |
| Property | 194,297 | 179,425 |
| Other | 37,725 | 10,926 |

### 10. Auditor's remuneration

| | 2022 £ | 2021 £ |
|---|---|---|
| The analysis of auditor's remuneration is as follows: | | |
| Audit fees | 11,300 | 11,300 |
| Accountancy services | 1,500 | 1,500 |
| Tax compliance services | 600 | 975 |
| | 13,400 | 13,775 |

### 11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

| | 2022 £ | 2021 £ |
|---|---|---|
| Salaries and wages | 3,818,618 | 3,600,195 |
| Employer's National Insurance | 328,044 | 301,721 |
| Employer's contribution to defined contribution pension schemes | 241,981 | 230,720 |
| | 4,388,643 | 4,132,636 |

The following number of employees received employee benefits (excluding pension costs) during the year between:

| | 2022 | 2021 |
|---|---|---|
| £60,000 - £69,999 | 3 | 3 |
| £70,000 - £79,999 | 1 | 2 |
| £80,000 - £89,999 | 1 | - |

The total employee benefits including pension contributions of the key management personnel were £303,814 (2021: £299,913).

The charity trustees were not paid, or received any other benefits, from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses were £nil in both the current and prior year.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2022

### 12. Staff numbers

The average number of employees was:

| | Average 2022 No. | FTE 2022 No. | Average 2021 No. | FTE 2021 No. |
|---|---|---|---|---|
| Fundraising Activities | 50 | 38 | 40 | 33 |
| Direct Care | 80 | 58 | 79 | 58 |
| Education | 1 | 1 | 2 | 1 |
| NDH Ventures | 1 | 1 | 3 | 2 |
| Support | 44 | 34 | 44 | 34 |
| | 176 | 132 | 168 | 128 |

### 13. Related party transactions

There are no related party transactions to disclose for 2022 (2021: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

### 14. Taxation status

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 11 Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The charity's trading subsidiary NDH Ventures Limited gift aids available profits to the parent charity. Its charge to corporation and deferred tax in the year was £nil (2021: £nil).

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2022

### 15. Intangible fixed assets

**Group and company**

| | Software £ | Total £ |
|---|---|---|
| **Cost** | | |
| As at 1 April 2021 | 222,811 | 222,811 |
| Disposals | - | - |
| As at 31 March 2022 | 222,811 | 222,811 |
| **Depreciation** | | |
| As at 1 April 2021 | 186,798 | 186,798 |
| Charge for the Year | 14,441 | 14,441 |
| Disposals | - | - |
| As at 31 March 2022 | 201,239 | 201,239 |
| **Net book value** | | |
| As at 31 March 2022 | 21,572 | 21,572 |
| As at 31 March 2021 | 36,013 | 36,013 |

### 16. Tangible fixed assets

| Group | Freehold & Leasehold £ | Fixtures and fittings £ | Computer equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As at 1 April 2021 | 4,436,935 | 608,843 | 319,422 | 114,133 | 5,479,333 |
| Additions | 14,164 | 113,249 | 26,346 | - | 153,759 |
| Disposals | - | (31,305) | (31,312) | - | (62,617) |
| As at 31 March 2022 | 4,451,099 | 690,787 | 314,456 | 114,133 | 5,570,475 |
| **Depreciation** | | | | | |
| As at 1 April 2021 | 1,333,823 | 469,432 | 209,711 | 95,791 | 2,108,757 |
| Charge for the Year | 105,793 | 61,215 | 37,212 | 11,624 | 215,844 |
| Disposals | - | (31,305) | (31,117) | - | (62,422) |
| As at 31 March 2022 | 1,439,616 | 499,342 | 215,806 | 107,415 | 2,262,179 |
| **Net book value** | | | | | |
| As at 31 March 2022 | 3,011,483 | 191,445 | 98,650 | 6,718 | 3,308,296 |
| As at 31 March 2021 | 3,103,112 | 139,411 | 109,711 | 18,342 | 3,370,576 |

Land with a carrying value of £175,729 (2021: £175,729) is included within freehold property and not depreciated. All of the above assets are used for charitable purposes.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2022

### 16. Tangible fixed assets *(continued)*

| Charity | Freehold & Leasehold £ | Fixtures and fittings £ | Computer equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As at 1 April 2021 | 4,436,935 | 608,843 | 318,723 | 114,133 | **5,478,634** |
| Additions | 14,164 | 113,249 | 26,346 | - | **153,759** |
| Disposals | - | (31,305) | (30,614) | - | **(61,919)** |
| As at 31 March 2022 | 4,451,099 | 690,787 | 314,455 | 114,133 | **5,570,474** |
| **Depreciation** | | | | | |
| As at 1 April 2021 | 1,333,823 | 469,432 | 209,012 | 95,791 | **2,108,058** |
| Charge for the Year | 105,793 | 61,215 | 37,212 | 11,624 | **215,844** |
| Disposals | - | (31,305) | (30,419) | - | **(61,724)** |
| As at 31 March 2022 | 1,439,616 | 499,342 | 215,805 | 107,415 | **2,262,178** |
| **Net book value** | | | | | |
| As at 31 March 2022 | 3,011,483 | 191,445 | 98,650 | 6,718 | **3,308,296** |
| As at 31 March 2021 | 3,103,112 | 139,411 | 109,711 | 18,342 | **3,370,576** |

Land with a carrying value of £175,729 (2021: £175,729) is included within freehold property and not depreciated. All of the above assets are used for charitable purposes.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2022

### 17. Trading subsidiary

#### NDH Ventures Ltd.

The charitable company owns the whole of the issued ordinary share capital of NDH Ventures Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

A summary of its results is shown below:

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Turnover | **689,707** | 675,320 |
| Cost of Sales | **(134,704)** | (124,163) |
| Gross Profit | **555,003** | 551,157 |
| Administrative Expenses | **(71,328)** | (74,092) |
| Other operating income | **-** | 7,960 |
| Profit on Ordinary Activities | **483,765** | 485,025 |
| Taxation | **-** | - |
| Profit for the financial year | **483,765** | 485,025 |
| Dividend paid to parent undertaking | **483,765** | 485,025 |
| The aggregate of the assets, liabilities and funds were: | | |
| Assets | **168,110** | 168,512 |
| Liabilities | **(84,401)** | (84,803) |
| | **83,709** | 83,709 |

### 18. Parent charity

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

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Gross income | **6,133,761** | 7,961,408 |
| Result for the year | **584,204** | 3,742,417 |

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2022

### 19. Investments

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Fair value at the start of the year | **5,644,574** | 3,800,274 | **5,730,148** | 3,885,848 |
| Additions at cost | **750,000** | 750,000 | **750,000** | 750,000 |
| Disposal proceeds | **-** | - | **-** | - |
| Net (loss)/gain on change in fair value | **301,587** | 1,094,300 | **301,587** | 1,094,300 |
| | **6,696,161** | 5,644,574 | **6,781,735** | 5,730,148 |
| Historic cost at the end of the year | **4,727,153** | 3,977,153 | **4,812,727** | 4,062,727 |

Investments comprise:

| | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
|---|---|---|---|---|
| UK Common investment funds | **6,696,161** | 5,644,574 | **6,696,161** | 5,644,574 |
| Unlisted shares in subsidiary undertaking Incorporated in the UK | **-** | - | **85,574** | 85,574 |
| | **6,696,161** | 5,644,574 | **6,781,735** | 5,730,148 |

Investments representing over 5% by value of the portfolio (group and charity) comprise:

| | 2022 £ | 2021 £ |
|---|---|---|
| BNY MELLON – Newton SRI Fund for Charities | **6,696,161** | 5,644,574 |

### 20. Stock

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Finished goods for resale | **12,530** | 31,764 | **-** | - |

### 21. Debtors

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Trade Debtors | **69,274** | 55,052 | **69,274** | 55,052 |
| Other Debtors | **32,426** | 36,307 | **32,426** | 36,307 |
| Prepayments | **131,137** | 115,793 | **124,993** | 113,264 |
| Accrued income | **2,291,674** | 2,332,484 | **2,291,674** | 2,332,484 |
| | **2,524,511** | 2,539,636 | **2,518,367** | 2,537,107 |

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2022**

## 22. Analysis of cash and cash equivalents

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Cash in hand | 9,808 | 2,012 | 9,808 | 2,012 |
| Cash at bank | 2,202,912 | 2,597,716 | 2,191,640 | 2,588,908 |
| | 2,212,720 | 2,599,728 | 2,201,448 | 2,590,920 |

| Analysis of net debt | Opening £ | Cash flow £ | Closing £ |
|---|---|---|---|
| Total cash | 2,599,728 | (387,008) | 2,212,720 |

## 23. Creditors: Amounts falling due within one year

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Trade Creditors | 131,999 | 116,118 | 131,999 | 116,118 |
| Amounts due to group undertakings | - | - | 138,164 | 125,411 |
| Other taxes and social security | 83,562 | 72,065 | 83,562 | 72,065 |
| Accruals | 125,488 | 166,200 | 125,488 | 166,200 |
| Deferred income (Note 24) | 110,083 | 127,453 | 28,203 | 45,171 |
| | 451,132 | 481,836 | 507,416 | 524,965 |

## 24. Deferred income

Deferred income comprises of Fundraising Events income, where events will take place in the future year, and Lottery income, where draws will take place in the future year.

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Balance Brought Forward | 127,453 | 123,739 | 45,171 | 41,449 |
| Amount released to income in the year | (127,453) | (108,690) | (45,171) | (26,400) |
| Amount deferred in the year | 110,083 | 112,404 | 28,203 | 30,122 |
| Balance Carried Forward | 110,083 | 127,453 | 28,203 | 45,171 |

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2022

### 25. Provisions – deferred tax

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Balance Brought Forward | 2,521 | 2,521 | - | - |
| Increase in provision in the year | - | - | - | - |
| Balance Carried Forward | 2,521 | 2,521 | - | - |

### 26. Pension schemes

***Defined benefit pension schemes***

***NHS pension scheme***

The company 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 £117,605 (2021: £121,276).

Contributions amounting to £18,322 (2021: £15,674) were payable to the Fund at 31 March 2022 and are included in other creditors.

***Defined contribution pension scheme***

***AEGON pension scheme***

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £124,376 (2021: £109,444).

Contributions amounting to £18,827 (2021: £16,721) were payable to the Fund at 31 March 2022 and are included in other creditors.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2022

### 27. Statement of funds

| Group | As at 1 April 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) Transfers £ | As at 31 March 2022 £ |
|---|---|---|---|---|---|
| **Unrestricted Funds:** | | | | | |
| **Designated Funds:** | | | | | |
| Buildings and assets | 3,406,589 | - | - | (76,720) | **3,329,869** |
| Risk based reserve | 2,850,000 | - | - | - | **2,850,000** |
| Income Generation Diversification | 600,000 | - | - | - | **600,000** |
| H2H Service Provision | 1,768,595 | - | (303,753) | 65,839 | **1,530,681** |
| Strategy Service Provision & Organisational Development 21-26 | 1,995,380 | - | (266,036) | 1,215,079 | **2,944,423** |
| Strategy Digital Development & Innovation 21-26 | 317,603 | - | (4,534) | (41,973) | **271,096** |
| COVID Response | 471,835 | - | (471,835) | - | **-** |
| **Total designated funds** | 11,410,002 | - | (1,046,158) | 1,162,225 | **11,526,069** |
| **Revaluation reserve** | 1,667,420 | - | - | 301,587 | 1,969,007 |
| **General funds** | 534,096 | 6,213,040 | (4,573,746) | (1,426,985) | 746,405 |
| **Total unrestricted funds** | **13,611,518** | **6,213,040** | **(5,619,904)** | **36,827** | **14,241,481** |
| **Restricted Funds:** | | | | | |
| Patient services | 38,935 | 25,015 | (48,062) | - | **15,888** |
| Long House | 2,088 | - | - | - | **2,088** |
| Capital other | 85,393 | 14,115 | - | (36,827) | **62,681** |
| Covid | - | 389,015 | (389,015) | - | **-** |
| **Total restricted funds** | **126,416** | **428,145** | **(437,077)** | **(36,827)** | **80,657** |
| **Total funds** | **13,737,934** | **6,641,185** | **(6,056,981)** | **-** | **14,322,138** |

### Purposes of restricted funds

Patient services are funds received to support the delivery of our services.

Long House represents funds received for the running costs of The Long House outreach centre in Holsworthy.

Other capital funds are funds received for specific capital projects.

### Purposes of designated funds

Buildings and asset reserve is to match the net book value of hospice assets at Deer Park, Westcombe Lane, and at the Long House which cannot be used without being sold.

Risk based reserve is to cover the financial impact of the main risks to the charity.

Income Diversification reserve, it is anticipated that these funds will be invested in the next 12 months on a project which will see an additional regular sustainable income stream on an annual basis.

## 27. Statement of funds *(continued)*

H2H Service Provision provides hands on nursing care to patients in their own homes with complex healthcare conditions, the teams focus being to keep patients at home and avoid unnecessary hospital admissions. Recognising the huge importance of the vital service, trustees have set aside funds to ensure that a minimum level of service can be provided over the next 5 years.

Strategy 2021-2026: Service Provision and Organisational Development, this amount relates to the specific elements of the new 5 year plan for the remaining 5 years to further improve services that enhance the support to our patients and their families. We wish to be even more responsive to their changing needs and ensure that we have the staff in place with the appropriate skills to support this.

Strategy 2021-2026: Digital Development and Innovation - this fund supports the digital and innovation part of our strategy. Including initiatives such as digital tap and go donations, improving patient access via digital technology and further digital fundraising activities.

Investment revaluation reserve is a fund equal to the revaluation of investments to market value at the balance sheet date, which has not been realised.

### Charity

For the purpose of section 408 of the Companies Act 2006, the net movement of funds for the Company is a surplus of £584,204 (2021: £3,551,450). Total funds brought forward were £13,737,934 (2021: £9,995,517). Total funds carried forward were £14,322,138 (2021: £13,737,934).

## 28. Analysis of group net assets between funds

| | General Funds £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible & Intangible Fixed Assets | - | 3,329,869 | - | **3,329,869** |
| Investments | - | 6,696,161 | - | **6,696,161** |
| Other Assets | 746,405 | 3,469,046 | 80,657 | **4,296,108** |
| | **746,405** | **13,495,076** | **80,657** | **14,322,138** |

There are sufficient resources available, held in an appropriate form, to enable restricted and designated funds to be applied in accordance with restrictions imposed.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2022

### 29. Operating lease commitment

#### Group

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Less than one year | **109,838** | 146,798 |
| One to five years | **143,896** | 165,596 |
| Over five years | **335,737** | 338,750 |
| | **589,471** | 651,144 |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £232,023 (2021: £190,351).

#### Charity

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Less than one year | **109,838** | 146,798 |
| One to five years | **143,896** | 165,596 |
| Over five years | **335,737** | 338,750 |
| | **589,471** | 651,144 |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £232,023 (2021: £190,351).

**NORTH DEVON HOSPICE**

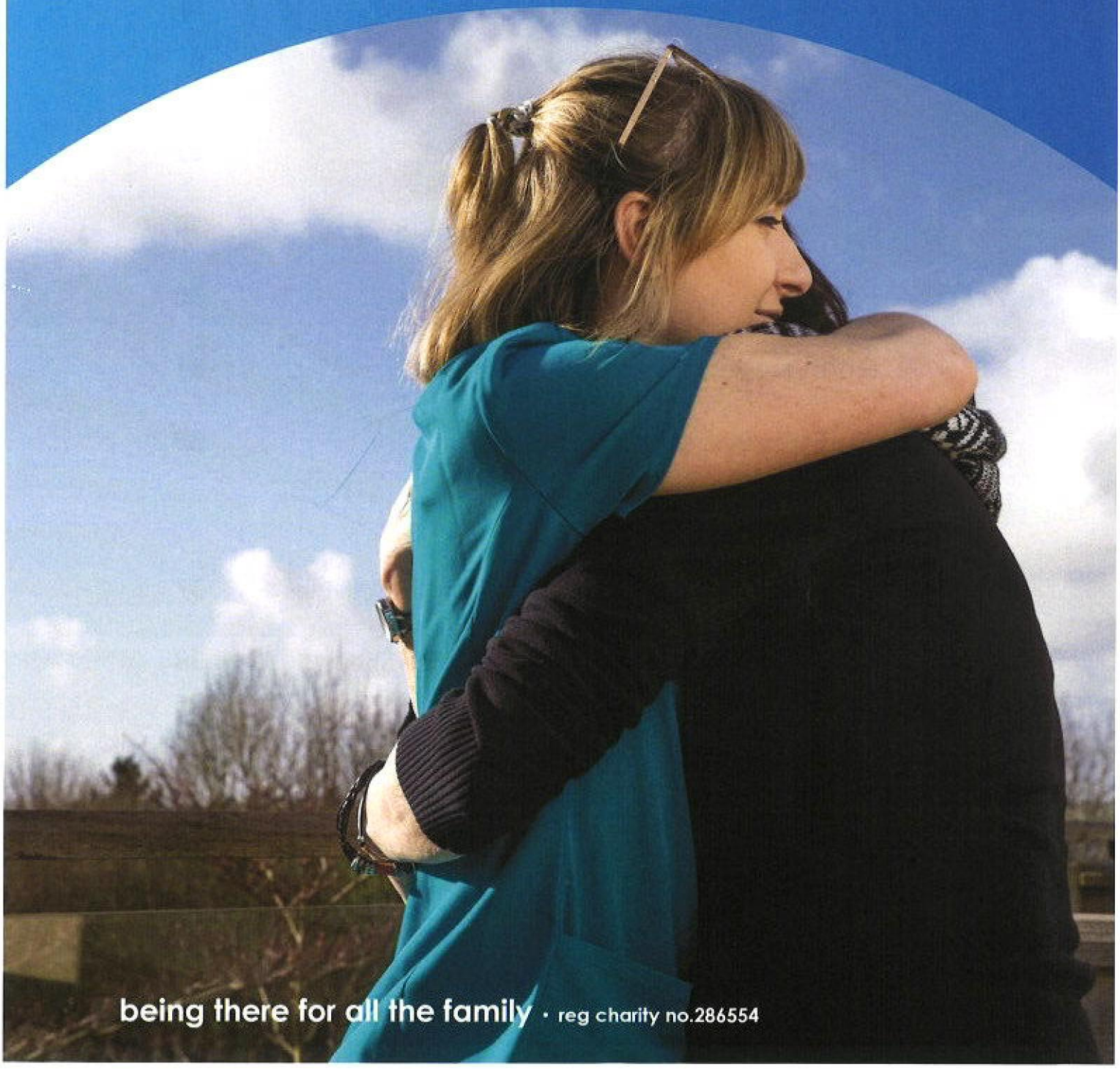
England & Wales - Charity number 286554

# Accounts

# Trustee Report

## 2020 - 2021

North Devon Hospice



being there for all the family · reg charity no.286554

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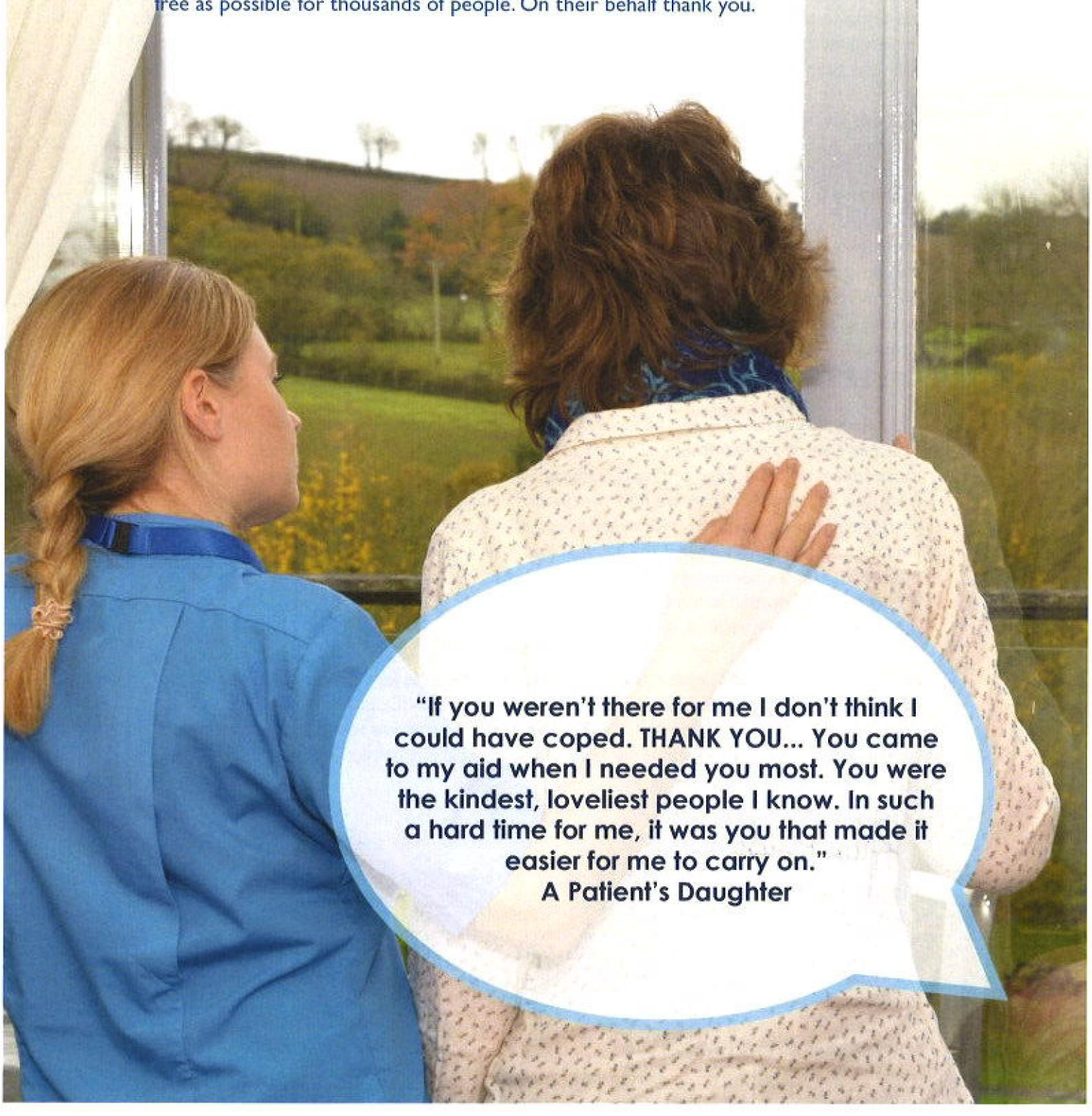
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# Our Appreciation

We believe that your life is a story and the ending matters. North Devon Hospice's mission is to provide outstanding care and support to the community of North Devon who are impacted by a life limiting illness. We can only achieve this together with you. It is your individual donations, business support, fundraising events, lottery memberships, gifts in wills and trust grants that enable us to be there for all the family.

In choosing to support us you are in fact making sure that death is as dignified and pain free as possible for thousands of people. On their behalf thank you.



**"If you weren't there for me I don't think I could have coped. THANK YOU... You came to my aid when I needed you most. You were the kindest, loveliest people I know. In such a hard time for me, it was you that made it easier for me to carry on."**
**A Patient's Daughter**

# Chief Executive's Review



The last year has been defined by the global pandemic but it has also been defined by kindness, resilience and our continued care. It is thanks to this that our care has continued without breaking step. It is to this point I wish to acknowledge each and every one of our staff and volunteers who were able to continue to support us. We achieved so much in the initial couple of months to ensure that adjustments were made. From setting up remote working, merging rotas to ensure care continued, furloughing some of our staff, setting up virtual platforms to ensure we can continue to access our patients and responding to the ever changing care protocols and procedures all done behind the barrier of Personal Protection Equipment (PPE). All done with the team never once taking their eye off what mattered: the patient and their family.

Despite COVID, North Devon Hospice has still been able to make some positive strides forward. Another key achievement was the successful consultation with all staff of a new reward and recognition framework including a new pay model. The pay model will see staff move from an incremental pay structure to a spot salary one thereby capturing our goal of rolling out a pay model which is fair, transparent and simple for all. This was rolled out as we started the new financial year in April 2021. We also continued to add momentum to our new care model in combining our Hospice to Home and Community Nursing teams. Whilst they remain distinct services, in combining them as a team we can ensure that our community care remains agile and enhanced. We also created our first contact hub which is clinically triaged and enables us to respond to any referral made in the most effective, timely and appropriate way.

Financially we have managed so far to weather the economic impact of the pandemic. This has been down to four key factors. Firstly we were incredibly fortunate to have our most successful year ever in terms of legacies. Secondly, we received greater support from the government than we had anticipated. Thirdly, as part of our continued prudent risk management, we had a risk reserve established to address such economic downfalls. Finally, we had Max Woosey, the 11 year old boy who has raised over £600,000 pounds by sleeping (and continuing to sleep) in his tent in his back garden for over a year. Max was moved to do this when he saw first-hand how we supported his neighbour Rick to die at home in line with his wishes.

As we look to launch our new 5 year strategy in 2021, the key challenge will be an economic one as we see what impact the legacies of COVID and Brexit has on our community's ability to support us. It is the community that we serve that dictates our care and it is that same community that makes our care possible. We are here for you and only because of you, thank you.

**Mr. Stephen Roberts**
Chief Executive Officer



# Chair's Review

I am proud to be able to report how well the Hospice has managed throughout the tough times of the covid pandemic. The provision of care and support for patients and their families has continued both face to face and virtually making the most of technology to enable us to retain our strong links with the people that need us.
You will see in this report that there have been a number of achievements and developments during the year as we have not let covid hold us back.

I would like to take this opportunity to thank all the Hospice staff who have continued to give their all and do an amazing job. Thanks also to all the volunteers, who although they may not have been able to be with us as much as usual due to covid, continue to support us and I was delighted that last June they were awarded the Queens Award for Voluntary Service which is a group MBE in recognition for their outstanding contributions to the Hospice.

The Board of Trustees continues to be committed to the Hospice and we continue to recruit new members to maintain a strong and multi skilled Board.

Over the last 12 months we have been developing the next 5 year strategy for the Hospice to ensure we focus on the key areas of the charity. More information on this will follow in July and will demonstrate our aims and ambitions to support and develop the Hospice for the future.

We can only do any of this with the support, donations and fundraising of the local community and you continue to do this year after year and we are so grateful. You make this all possible. Thank you.

S Bates.

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**Mrs. Sharon Bates**
Chair of the Board of Trustees

# Impact of COVID

In this reporting period, COVID has had the following impact on North Devon Hospice:

**Bedded Unit** To manage the unit in a COVID secure way that protects both staff, patients and their visitors we had to reduce the bedded unit down to 5 beds. For a sustained period of time our bedded unit workforce was reduced by a third due to either staff having to shield or self-isolate. To ensure that our care continued we merged the Hospice to Home team into the Bedded Unit rota thereby bolstering the staff available to support the beds. This enabled us to keep 5 beds open.

**Clinical Nurse Specialist Team** Having already established a first contact hub that involved clinical triaging referrals as they come in, this really came to the fore during COVID. As referrals came in we had two Clinical Nurse Specialists (CNS) on duty so that should a referral require a more rapid response, one of the CNS could go and attend that urgent referral leaving the other to continue to field the first contact hub. Due to COVID all initial contacts with patients and their families were via telephone and visits continued where one was needed and obviously wearing full PPE.

**Hospice to Home** The Hospice to Home's team capacity was also negatively impacted by team members having to shield and or self-isolate. In addition, the team were added to the bedded unit staffing roster to plug the holes left by those staff having to shield. This was a true team effort and both teams commented how great it was to have the opportunity to work together. Despite this, the team were still able to provide a reduced Hospice to Home service in our community.

**Supportive Care** With the pandemic, we were unable to carry out counselling and group support face to face. Therefore 1:1 counselling was carried out by telephone and video calls, whilst group work was developed through the use of Zoom and closed social media groups. In this way we could still provide emotional support to those who needed us.

**Education** With face to face education provision being at the heart of our service this had to be substantially reduced. However, throughout the year this enabled us to concentrate on our own staff's clinical education and training needs as well as still providing a limited menu of on-line clinical educational sessions.

**Fundraising** With our inability to run our own events, to carry out community events or support others to do so, we were utterly reliant on donations sent through via post or on-line. This saw our income budget for the year shrink by £600k. However, through a substantial legacy year and with the incredible support given to Max Woosey, "The Boy In The Tent" we were able to recover this lost income to end the year £200k off where we would have hoped to have been pre-COVID. In the face of the business environment we did furlough some members of the team.

**Marketing & Communications** Our emphasis here switched to ensuring that the community we serve knew that our care continued. To achieve this we increased sharing more about our care and patient stories to ensure that the North Devon Community could see that within parameters it was business as usual.

**Finance** Over the previous years we have worked hard to automate and digitise a lot of our financial processing. Thanks to this work a lot of our financial processes could be

completed remotely. That said, on a rota basis the Finance Team's office was manned at all times throughout the year to support on-going operations.

**IT** The IT team were another team who stayed on site at Deer Park throughout. It is thanks to their efforts that the organisation switched to remote working so effectively and so quickly.

**HR and Volunteers** The HR and Volunteer teams switched seamlessly to a mostly remote service. In addition to the new pay model, the HR team focussed on supporting the clinical teams, recruitment and staff wellbeing. In addition to creating a new virtual Hospice Academy for on-line learning, a significant volume of wellbeing resources were made available to staff. The Volunteer Team focussed on maintaining contact will all our volunteers.

**Retail** Following government guidance, our shops remained closed for most of the year. Our budget was reduced by £900k. With lockdown extending beyond initial expectations shops trading income reduced to £308k (2019/20 £1,415m). We also furloughed all but four of the retail staff who ensured that we were able to continue with some trading through our online platforms.

**Lottery** The key impact on Lottery was the inability to recruit new members via canvassing. Other than this, with all processes digitised, the team were able to run the lottery remotely. We expected, due to the uncertain economic climate, that there would be a higher attrition rate with members cancelling. With this in mind we adjusted our budget accordingly and focused on membership communication and retention. Whilst we budgeted a loss due to COVID of £25k, fortunately the attrition rate was not as bad as forecasted and we managed to continue some recruitment of new members via social media, achieving lottery income of £648k (2019/20 £685k)

**Housekeeping** With the heightened level of infection control required and with Deer Park still being operational, albeit with fewer staff, the housekeeping team have been phenomenal in their increased levels of cleaning to keep the entire site safe.

**Facilities** To continue to support all operations at Deer Park, the facilities team remained on site and continued to complete a number of projects in a COVID secure manner. This included a number of shop refurbishments as well as the catering team not only supporting patients and their families in the bedded unit but also arranging a number of food gifts which were sent to patients homes.

**The Long House** Following government guidelines the Long House had to close throughout the year.

# Our Mission and Strategic Objectives

## Charitable Mission

To provide outstanding care and support to the community of North Devon who are impacted by a life limiting illness.

## Strategy

In 2015 we established a 5 year strategy to ensure that North Devon Hospice continues to provide our patients and their families with outstanding care. In 2019, in preparation for the end of this strategy, we developed a new 5 year strategy but delayed the launch of this until 2021 in light of COVID. Therefore in this reporting year we continue to show our impact against the current strategy. Against each of the strategic objectives we were able to achieve the following during the COVID pandemic:



1. **To seek to ensure hospice care is accessible and responsive to individual patient, carer and family needs**

### Key Impact in 2020/21:

- **We cared for 1,589 (2019/20 2,762) people across North Devon including at North Devon District Hospital.**



2. **To develop services closer to the patient's home**

### Key Impact in 2020/21:

- **This year our community clinical nurse specialists made 1,771 visits (2019/20 3,734), 10,566 calls (2019/20 6145) to patients and supported 1,014 patients and their families in their own homes, reflecting the change in working during the pandemic. The Hospice to Home travelled 42,042 miles to care for 324 patients in their own homes.**



3. **To develop a culture where our people feel that North Devon Hospice is an inclusive organisation that develops talent, recognises positive behaviours and celebrates success.**

### Key Impact in 2020/21:

- **A new Reward & Recognition Framework was developed for all staff which included the consultation of a new Spot Salary Pay Model which was rolled out in April 2021**
- **165 handmade cakes were hand delivered to all staff's homes personally by members of the Senior Management Team in response to a wellbeing survey which identified that a lot of staff missed the hospice cake.**



4. **To enhance community support and care through ensuring NDH is the preferred place to donate time through volunteering**

### Key Impact in 2020/21:

- Due to COVID most of our volunteers' roles had to be stood down. Although some continued to support our gardening and the shops when open, it has been a very strange year without them. That said, we took the opportunity to ensure that all volunteers were regularly communicated with and those who we knew were isolated were checked upon
- Our volunteers were awarded the Queen's Award for Voluntary Service in June which is the equivalent of a "group" MBE.



5. To build partnerships to enhance our care

### Key Impact in 2020/21:

- Despite the pandemic North Devon Hospice received 1,144 new referrals this year, which was a decrease from the previous year of 1,439.



6. To tailor and develop care models to meet the future needs of our beneficiaries

### Key Impact in 2020/21:

- To ensure an effective and efficient response to our patients' needs we merged the Hospice to Home team with the Community Clinical Nurse Specialist team to aid closer working. Whilst still remaining two distinct teams this has enables more effective deployment of Hospice to Home when needed
- As part of the roll out of our new care model we created the First Contact Hub. This is a single point of access, clinically manned referral line that enables us to triage patient's needs.



7. To be the centre of excellence for End-of-Life Care

### Key Impact in 2020/21:

Despite the restrictions of COVID we were able to move part of our education programme online where we were able to deliver training to 251(2019/20 511) people across the healthcare sector of North Devon, with 100% positive feedback.



8. Increase income available for charitable expenditure

### Key Impact in 2020/21:

- North Devon Hospice had its largest legacy year in history receiving over £2.5 million in gifts in wills
- It was also a record year for donations via our two newsletters which totalled over £64k for the year
- As well as switching our Barnstaple Queen's Street shop to 9 High Street, Barnstaple, we also refurbished our Northgate shop at the end of Barnstaple High Street.

# Your Impact

## Your Clinical Care

We believe that your life is a story and the ending matters. What matters to people at the end of their life varies and we are passionate about ensuring that this is respected. What is consistent though is that people want to die pain free and with dignity. It is thanks to your support that we can achieve this for so many. Whether this is in people's own homes, at the hospice, in North Devon District Hospital, in community hospitals or in care and nursing homes your support means that patients and their loved ones are supported wherever they are.

All our care services have had to adapt due to the coronavirus pandemic. As the pandemic broke we put the safety of staff and patients first which required us to ask a significant number of staff to work from home – those who fell into a vulnerable category due to underlying health conditions, expectant mothers and the over 70s. We also had a small number of clinical staff who were required to shield. All staff did an amazing job of pulling together to ensure our care continued. To achieve this we had to make some key changes:

- We reduced our capacity in Hospice to Home so that staff could support the bedded unit whilst still maintaining safe care for the small number of cases we had
- Supportive Care moved immediately to providing support remotely and some of their team have moved to the bedded unit to work with colleagues there
- The CNS Team moved to providing support via telephone, video and urgent visits

| Hospice Services Provision | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-2021 |
|---|---|---|---|---|---|---|
| **Number of new referrals** | **1151** | **1179** | **1395** | **1449** | **1439** | **1144** |

## Your Bedded Unit

Thanks to your support we have cared for 90 people (2019/20; 102) this year. We have seen a real shift in the profile of our patients over the last 12 months with the bedded unit caring for more complex patients with multiple conditions. This has had a knock on effect to the staffing requirements needed to safely look after these patients. Against this backdrop, we have been operating 5 beds rather than 7 to ensure the appropriate, safe patient to staff ratio as well as operating the bedded unit in a COVID secure way.

Even in the face of COVID, the team have been able to remain a beacon of compassion and professionalism throughout. Even with the barrier of PPE, the team have been innovative in how they have still added the personal touch to the patients and their loved ones. For example, knowing how important seeing someone's face is to communicate, the team ensured that each patient was introduced to the team on that day via a photo gallery so that they knew who was behind the mask.



**"Words of thanks just doesn't seem enough. I cannot begin to express how truly grateful we were for the care given to my beautiful mum. For the week she was with you, during the pandemic, you showed her nothing but dignity, respect, love and understanding. Her last couple of days she looked very comfortable and at peace. You kept me informed all the way and showed me the best care. You are an amazing place and unique wonderful people. We are pleased we chose you. At one of the most difficult times, you all made it that little bit easier, by your support and commitment to providing the best care...which you do effortlessly. We will always be eternally grateful."**
**A Patient's Daughter**

## Your Community Specialist Palliative Care Nursing

Most people would like to die in their own homes. Our clinical nurse specialists (CNS) make this happen. Over the last year the team have cared for 996 patients (2019/20; 1,365) in their own home no matter where that is across the 800 square miles of North Devon. In full PPE the team still made 1,771 visits. However throughout the pandemic more support was able to be provided by phone and video where the team made over 10,566 calls to support the patient's care and medication. We also have two of our nurses operating within North Devon District hospital supporting any terminally ill patients there. In the last year the team supported 139 patients in the hospital.

As specialists in end of life care our clinical nurse specialists also have a crucial role in supporting other healthcare professionals in providing quality end of life care across North Devon. In so doing the team responded to over 4,500 calls for specialist input from them.

This year saw the introduction of the First Contact Hub. The hub was operated by having 2 CNS's on duty each day. One leads duty, and the other CNS is used to go out on rapid intervention visits for our patients. This has worked very well throughout COVID and we will continue to do this going forward.



**996**

**Number of patients the CNS's looked after**

"Your professionalism, sympathy and empathy towards her were second to none. Even though her illness was progressing quickly with your support she was able to fight right till the very end but was so happy to have had the opportunity to come home and be with us which was only possible thanks to you."
Family Member

## Your Hospice to Home

The Hospice to Home were redeployed in support of the bedded unit during the year to sustain the level of staffing required on the unit for safe care during the pandemic. This was in response to a large number of the bedded unit staff having to shield. This actually proved to be a great exercise as both teams enjoyed the cross team working. We were still able to run Hospice to Home but with a more limited capacity. The team continued to support 324 (2019/20; 327) patients in their own home around the clock.

As was planned as part of the new care model, the hospice to home team merged with the CNS team. Whilst still remaining a distinctive service, through this merger we are able to optimise our patient response.

The Hospice to Home team continues to be heavily relied upon by other healthcare teams to ensure that patients can avoid an unnecessary hospital admission, expedite discharge home after a hospital stay as well as the ultimate goal of fulfilling patient's wishes to die at home. Where this happens the ramifications of this are huge for both the patient and their family.



"Our mother died peacefully at home... in particular we would like to give heartfelt thanks to the Hospice to Home team who looked after mum so practically, gently and kindly in her dying days. It was her wish to die at home and she couldn't have done that without you!"
Family Member

## Your Long House

Following government guidelines we were unable to continue to operate the Long House. Instead we have pro-actively engaged with the GP community in the area and increased the amount of telephone and virtual support provided to patients and their families. We will reopen the Long House when it is safe to do so in line with the government recommendations.

## Your Supportive Care

When a patient is diagnosed with a terminal illness, it is not just their life that changes forever but also their family's. The emotional journey that our patients and their families go on sees many peaks and troughs. It is through walking shoulder to shoulder with them during these times that we truly live our motto of "being there for all the family".

From 23rd March 2020, almost everyone in the Supportive Care team has been working from home, with the exception of two Healthcare Assistants who were transferred to work on the Bedded Unit, and the Spiritual Lead who continued to work full time on site at Deer Park. In the space of 3 months, the staff and volunteers in Supportive Care changed the way in which the service was delivered, shifting from face to face contact to creating new ways in which we could continue to provide emotional and spiritual support to clients, patients, their families and the bereaved. The service was well used and particularly appreciated at a time when the comfort of being together with the family and friends has been impossible. In the year the team supported 840 (2019/20; 938) people through:

- Telephone and video counselling
- Check in/support telephone calls
- Group support via Zoom (creative sessions, mindfulness sessions, carers support group, patients support group)
- To play our part in responding to the COVID pandemic, a new offer of telephone counselling for people in North Devon bereaved due to a COVID related death

- Creation of content for Supportive Care pages on the Hospice website called 'One Day At A Time'

Through video, individuals from the Supportive Care team offer a range of ways in which people in the Hospice community (patients, families, volunteers and staff) may be supported to navigate their way through a difficult time, e.g. mindfulness practice, home schooling, how to give yourself a shoulder massage, creative activities, etc.



**"I have been receiving bereavement counselling from a member of your team, for some time, having lost my mother and sister last year. I really want to thank my counsellor for the really excellent support I received. My counsellor is so highly skilled and absolutely appropriate and spot on in her interventions within what feels like a completely safe and trusting space. Thank you so very much"**
**Family Member**

## Your Clinical Education

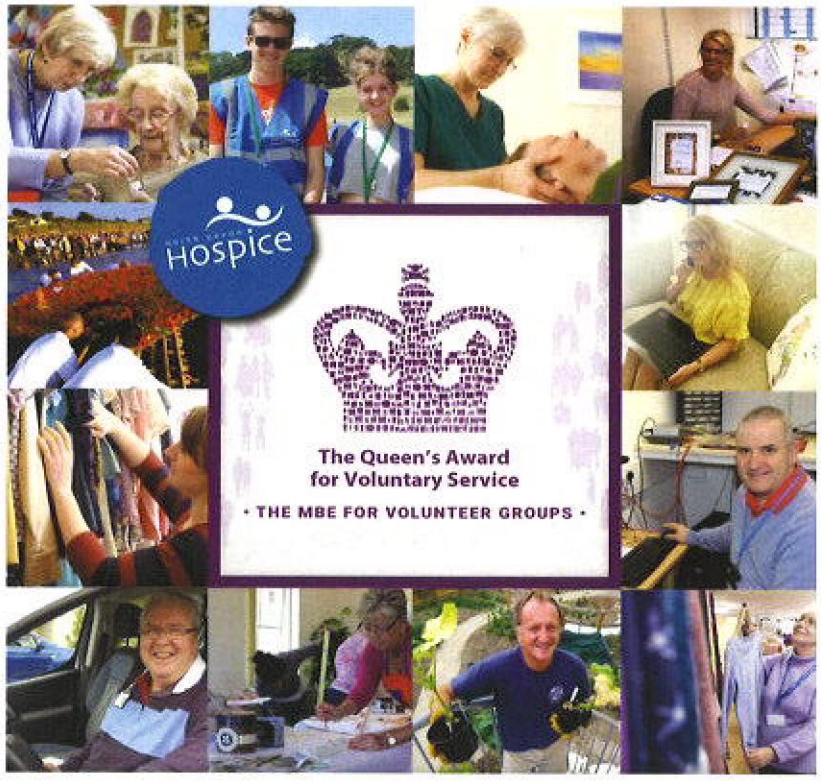
A key part of North Devon Hospice fulfilling our mission is the provision of end of life care education to our healthcare partners. This does not just include the medical palliative care element but also a myriad of other skill sets and specialisms all of which have a positive impact on the care experience that end of life patients receive across North Devon. It is for this skill set that our healthcare partners turn to North Devon Hospice to provide a wide ranging education programme. Understandably, over the last 12 months the team have been limited in our ability to run the full education programme particularly face to face. We did however manage to run a virtual programme providing education to 251 people from across the healthcare system.

## Your Feedback

To provide continued outstanding care to the patients and families that we are privileged to look after, we must ensure that our care meets the needs of the people we serve. We are here for you and only because of you. To ensure that our care is responsive to the ever changing needs of our patients and their families, we place significant emphasis on engaging with our beneficiaries to seek feedback. In so doing we ensure that there is continued improvement in everything that we do. To ensure that this feedback is independent and confidential, we utilise a third party platform called ***iwantgreatcare.org.*** Through this we know that in the 2020/2021 North Devon Hospice received 49 reviews (688 overall) and have an overall maximum rating of 5 stars.

**"I thought losing my sister was it worst it could be but I was wrong. The death of my wonderful father has left an enormous void in our whole family. The loss and grief I feel now are overwhelming, but I know it will ease. Committing him to your exemplary care was an enormous relief to us all, including him. He had no fear of dying, only of saying goodbye to his beloved family. With your help, we were able to do that."**
**Family Member**

## Our Volunteers




- One of the biggest impacts that COVID had on North Devon Hospice was the inability for us to utilise our amazing volunteers. With our shops closed, fundraising events off, Deer Park having to operate in a highly COVID secure way, it was neither safe nor appropriate to have our volunteers back
- Whilst some were able to continue their support of us in a limited fashion, such as the gardeners and counsellors via phone most had to be stood down until government guidance allowed
- Line managers along with the Volunteer Office kept in constant contact with our volunteers ensuring they were safe and still felt part of the hospice family despite not being able to actively get involved
- 40 volunteers responded to our request to support One Northern Devon during this crisis. Our volunteers supported the North Devon community by transporting patients to and from hospital appointments, collecting medications, shopping etc. or keeping in touch with those who need it most
- Whilst volunteering may have paused for the year, it was still an amazing year for our volunteers when they were awarded the Queen's Award for Voluntary Service in June which is the equivalent of a "group" MBE and thoroughly deserved.

## Our Staff



If it wasn't for our staff, none of the amazing care would happen. Every single person here at North Devon Hospice is driven to provide outstanding care to our patients and their families. Therefore it is imperative that as an organisation we continue to support our staff to the full. In 2020:

- Each staff member has an emotional wellbeing plan which lays out through guided questions how their emotional health suffers and what their line manager can best do to support them. This includes a regular self-scoring tool reviewing contentment, self-esteem, work-life balance and how well staff are being supported
- A dedicated intranet site for all our staff focusing on wellbeing was launched. Wellbeing Wednesday was declared as the day dedicated to pro-actively supporting our staff on a wide range of issues ranging from reducing sugar to managing anxiety coming out of lockdown, menopause to men's mental health, neurodiversity to financial wellbeing
- Through working with MIND charity, we have now established and trained 12 Mental Health First Aid Champions across the organisation
- The biggest achievement this year was the successful design, development and consultation of a brand new pay model. Through virtual staff engagement workshops we established the principles that staff wanted a new pay model to achieve namely: fairness, transparency and simplicity. For years the hospice had lumbered with an amended version of the original NHS Agenda for Change which was based on incremental increases and had become financially unsustainable, lacked fairness as people could be doing the same job with the same experience but paid a lot less due to time served at the hospice. To "live" the principles that the staff wanted, the whole organisation has moved to a Spot salary model in April 2021. A huge cultural shift for the whole organisation but thanks to our engagement and change management this has been very warmly welcomed by all
- In July 2020, we established the Hospice e-Academy which established a learning and development profile for every member of staff. Through the Hospice e-academy we partnered with the local Adult College, Petroc to provide a broad menu of free courses from digital skills to finance, leadership to business administration
- Also this year North Devon Hospice became an accredited Mindful employer and a Disability Confident one as well.

# What we want to achieve

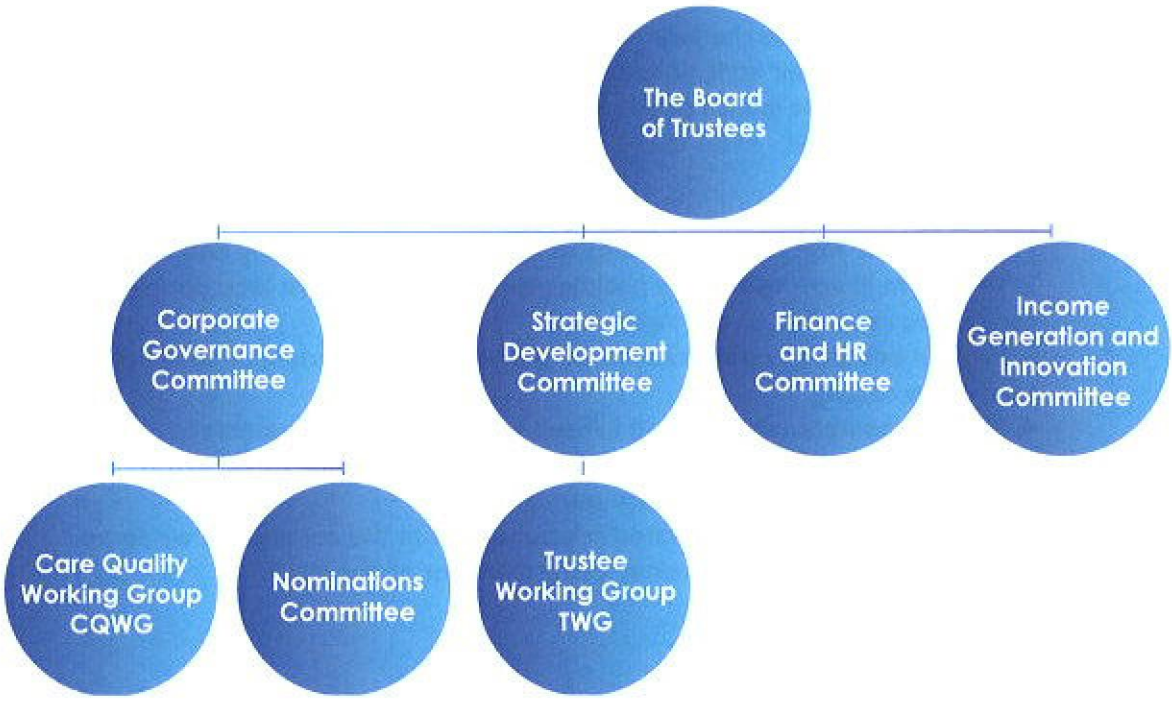
2020 was meant to be the year that we launch our new 5 year strategy following consultation with our staff, volunteers, patients, healthcare partners and the community. COVID delayed the launch of this new strategy but we look forward to July 2021 when this will be launched. With this in mind our new strategy will have the following objectives:

1. Be there for everyone who needs us by providing outstanding end of life care
2. Walk arm in arm with every healthcare partner, to ensure local people receive the best care at the right time, in the right place
3. Provide education opportunities for the health care workforce to enhance end of life care in any setting
4. Nurture content, engaged and fulfilled employees and volunteers
5. Embrace our volunteering community and inspire people to get involved.
6. Invest in technology to enhance our care
7. Have an inspired and motivated relationship with the community we serve
8. Be financially stable to continue being there for all the family.

# Our Governance

As we are only able to provide our care thanks to the community that we serve, we are morally as well as regulatorily duty bound to ensure that every single pound raised is used in the most effective way. We need to ensure that the organisation, to continue to exist, to continue to thrive and to continue to be there for all the family utilises all of our resources in the most impactful way. Effective Governance is at the heart of this. Overall responsibility for our governance lies with the 12 Trustees who, alongside the Senior Management team of 4, made up of the Chief Executive, Director of Care, Director of Finance, Director of Human Resources & Organisational Development, make up the Board. The Board of Trustees meets 4 times a year. At each board meeting the organisation's strategic objectives, annual budget and top risks are formally reviewed, challenged and agreed. In addition, the Chief Executive and the Senior Management Team report on performance, compliance, risks and opportunities in the hospice. In support of effective governance there are 4 sub-committees who in turn are supported by two working groups. This is structured as follows:

## North Devon Hospice Governance Structure




- **The Corporate Governance Committee:** Meeting four times a year, this focuses on matters of governance, regulation including health and safety, audit and risk. In addition the Care Quality Working Group reports into this committee. North Devon Hospice's risk register would also be reviewed at this Committee before being presented to the Board. Under the umbrella of this committee a new committee called the Nominations Committee was established to cover all recruitment responsibilities relating to new Trustees and the Chief Executive on behalf of the Board

- **The Strategic Development Committee:** Meeting twice a year, this considers how the hospice is performing against the strategic plan

- **The Finance and HR Committee:** Meeting four times a year, this reviews the financial performance of the organisation against both budgets and reserves and considers whether the hospice has the resources to achieve its aims and objectives. The committee receives the report from our statutory external auditors who attend the meeting annually

- **Income Generation & Innovation Committee:** For North Devon Hospice to remain financially stable and best place to support our patients and families it is essential that we are sustainable financially and as efficient and as effective as an organisation as possible. To give this the appropriate level of focus this committee ensures that North Devon Hospice is maximising its income generation opportunities and remains as innovative as possible.

To further support these committees, working groups are in place to ensure a more detailed scrutiny of key areas which includes:

- **Care Quality Working Group:** To enhance the already existing focus on patient care, the Care Quality Working Group ensures effective clinical governance and audit

- **Trustee Working Group:** This working group is attended by the Board of Trustees and the Senior Management Team. This open forum is an opportunity to discuss and explore any particular topic in more detail. In this year the group met to carry out a review of level of our risk reserve, review the impact of COVID and discuss the way forward for the new pay model.

## Risk Management

North Devon Hospice recognises that having in place effective risk management greatly enhances our ability to thrive and succeed as an organisation. Never has this point been brought how more than in the face of a global pandemic.

To achieve this, North Devon Hospice's risk management seeks to ensure that the entire risk profile of the organisation (both strategic as well as operational) is effectively identified and where possible managed.

North Devon Hospice defines risk as: *"The threat that an event, action or failure to act will adversely affect North Devon Hospice's ability to achieve its objective, capture opportunities or to deliver its aims to the required standards"*

North Devon Hospice defines risk management as: *"The proactive identification, evaluation, control and continued monitoring of those risks that threaten the assets, people, patients or reputation of North Devon Hospice"*

North Devon Hospice has in a place a Risk Committee, Chaired by the Chief Executive and includes the Director of Finance, Head of Facilities as well as the Quality Lead. This committee meets throughout the year to review the departmental risk registers and the strategic risk register before then being able to create the North Devon Hospice Top 5 Risks Register. A tailored risk assessment criteria which allows for risks to be scored across several criteria such as reputational impact, financial impact and service interruption is used to prioritise the risks identified.

Due to COVID, we established a separate risk register dedicated to this particular risk. This enabled us to effectively capture the risk footprint of the pandemic and how it would impact us. This is reviewed regularly at the weekly Covid meetings held by the SMT.

The Current Top 5 Risks to the success of North Devon Hospice's are:

| Risk | Key Risk Action Plan |
|---|---|
| **Inability to fund people resource** | 1. Cost Reduction Review<br>2. H2H service review<br>3. Actively seeking diversification of income<br>4. Care model review<br>5. COVID 19 action plan |
| **Macro-economic conditions** | 1. Further develop and deliver Comms and Marketing strategy<br>2. Cost Reduction Review<br>3. Promote the need for continued financial support as a local charity<br>4. COVID 19 action plan |
| **Inability to secure required funding** | 1. Formal H2H pitch under review with commissioners<br>2. Continued pressure on Hospice UK to cover future NHS pension costs.<br>3. Continued communications with CCG, Hospice UK, and other relevant parties to ensure appropriate pandemic funding is maintained.<br>4. COVID 19 action plan |
| **Decrease in legacies** | 1. Continued roll out of "Forever Stone" Legacy campaign to increase gifts in wills. |
| **No Palliative Care Consultant** | 1. Proactive recruitment campaign for Palliative Care Consultant without responsibility as Medical Director. |

It is against these top risks that the Board of Trustees are able to establish a clear line of sight on the levels the organisation should hold within its Risk Reserves.

## Senior Management Team Remuneration

The Board of Trustees are responsible for setting remuneration levels for the charity's senior staff. The key objective for North Devon Hospice is to ensure that our approach is to offer fair pay to attract and keep appropriately qualified staff to lead, manage, support and/or deliver our objectives. In deciding Senior Management team remuneration, as a Board of Trustees we have considered:

- The purposes, aims and values of the charity and its beneficiary needs
- How this remuneration impacts on the overall pay policy for all employees and for the Senior Management team in particular
- The types of skills, experiences and competencies that North Devon Hospice needs from its Senior Management team, the specific scope of these roles and the link to pay
- The charity's strategic plan and how the implementation of this plan may affect the number of senior staff the charity needs to employ or recruit and the nature of these roles

• The charity's ability to pay. This includes the cost to the charity of raising pay, whether it is sustainable, how appropriate the level of pay is, and any pay increase, is in the context of the charity, as measured against the needs of its charitable purposes and beneficiaries
• The board's assessment of the charity's performance and the Senior Management team's performance against expectations, in both short and long term
• Appropriate available information on pay policies and practices in other organisations that can inform the decision on whether a level of pay is fair and reasonable. This has been achieved through using Association of Chief Executives of Voluntary Organisations, as well as National Council for Voluntary Organisations as well as looking at other hospices, charitable organisations and the private sector.

In addition to the above and in accordance with the Statement of Recommended Practice (SORP) North Devon Hospice, within our audited and published annual report and accounts, discloses the number of employees whose remuneration exceeds £60,000.

Therefore with a Senior Management team pay scale established and with the performance of the Senior Management team formally reviewed on an annual basis against set objectives, the Trustees of North Devon Hospice are satisfied that there is appropriate, robust, transparent and fair remuneration in place for its Senior Management team. This is particularly true this year following the organisation wide review of pay which led to the roll out a new spot salary model. The SMT's pay formed part of this review and was independently benchmarked.

# Annual Financial Report

- We entered the financial year of 2020/21 as the nation went into its first lockdown at the start of the COVID pandemic. This caused huge financial uncertainty for us with our shops closing and nearly all fundraising ceasing overnight
- We are fortunate to have come out of the previous financial year (2019/20) with good reserves having had a high level of income from legacies. Knowing the pandemic would have a significant implications, we looked at various scenarios which we felt could playout over the year and the impact this would have on the hospice over the next 5 years ranging from best to very worst case scenario. The trustees and SMT quickly came to the decision that we had to proceed with huge caution, pay increases were frozen, costs and all capital projects were re-evaluated
- Looking forward we were comfortable about our going concern position as we had both a sufficient risk based reserve and designated reserves to cover losses from COVID, this meant looking forward over the next 5 years we were comfortable that we did not need to cut any frontline services
- Expenditure in the year was carefully monitored with total spend of £5.514 million (2019/20 £6.141m) a reduction of 10.2%
- During the year we have taken advantage of the government funding that has been made available, this has predominately come form 3 sources, furlough, business grants and NHSE government funding
- We used the furlough scheme to predominantly support our retail staff during the lockdowns when our retail outlets were closed. Across the year we received £181k in furlough income. Business grants were administered by the local authorities to support business during each period of lockdown, in total across the year we received £286k from business relief grants

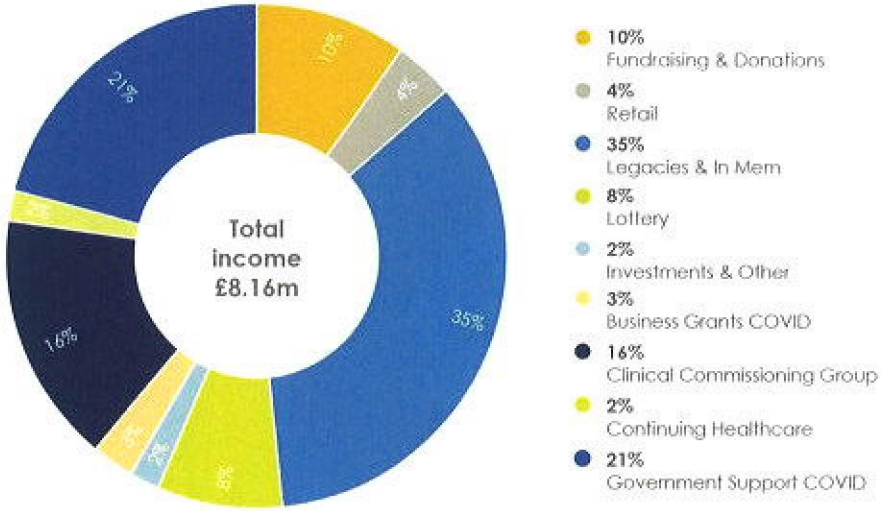
- In April 2020 the Chancellor announced funding to support hospices through the COVID crisis, Hospice UK worked closely with NHS England (NHSE) to distribute the funding to hospices. NHSE awarded funding was to allow hospices to make available bed capacity and community support from April 2020 to July 2020 and 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. Over the course of the year we received £1.427 million from NHSE
- This year we were fortunate to have received the highest level of legacies in our 36 year history, totaling £2.5million (2019/20 £1.2million), this has helped alongside the government funding to plug the shortfall from fundraising and retail income
- It has also enabled us to invest another £750k into our investment portfolio this year, as the markets have responded favourably over the last 12 months we have seen a positive revaluation on our investment portfolio of £1.094 million
- As a result of this we were able to transfer £3.7million to reserves, bringing our reserves level to £13.7million in total (2019/20 £9.995 million). The financial results are detailed on the Consolidated Statement of Financial Activities on page 37 of the report .This has meant that the trustees have been able to consider how we use these reserves moving forward to further support services. The details of how reserves are applied are explained later in this report, but we are delighted that we have been able to build reserves to support our new 5 year strategy and to keep Hospice to Home going until a more sustainable finding stream can be agreed with commissioners. This is a vital service that provides hands on care to patients with complex needs in their own homes, avoiding unnecessary hospital admissions, by providing a rapid and tailor-made response.

## Income

- In a year of COVID crisis we saw our traditional income streams plummet, with three lockdowns our retail shops were closed more than they were open. We furloughed staff to reduce our expenses however our income was 78% down on the previous year at £308k in total (2019/20 £1.4m)
- The shops were however further supported with the £286k local authority business grants
- Retail expenditure was examined closely, we held all vacancies during the lockdown period and utilised the furlough scheme, we asked landlords to support us by reducing if they could our rent. Some landlords were able to assist us with this, in particular the private landlords from the local area were hugely supportive, whilst others were not in a position to do so. We looked at reducing as many costs as we could as leaving no stone unturned
- As we reopened shops post lockdown we incurred £9k of costs over the course of the year to ensure that our shops were COVID secure. All staff were issued with PPE, sneeze guards were put in place, opening times of our shops in the earlier phases of reopening were reduced to allow for vigorous cleaning, hand sanitiser put in place and numbers were limited in each store to allow for social distancing
- We were grateful in the later part of the year to bring back many of our shop volunteers which allowed us to increase the opening hours for trading, we look forward to more volunteers returning as lockdown restrictions ease going into the next financial year
- Despite not being able to do any door to door or event canvassing during the year our lottery membership remained strong, helped by successful social media

campaigns. Lottery income dropped by 5% to £648k (2019/20; £685k), however without being able to continue with canvassing the lottery costs were reduced to £160k (2019/20; £229k) which meant the overall contribution (income less direct costs) rose to £487K (2019/20; £456k) As a consequence of little canvassing activity it is likely we will see our membership numbers decrease as we go into the next financial year as our attrition levels increase

- Our traditional fundraising events took a big hit with the restrictions, the income from our own fundraising events and those supported by the community dropped by £338k, to £364k. However the community of North Devon really rallied their support and we saw individual donations increase by 96% to £220k (2019/20; £112k). Charities and trusts also increased by 30% to £108k (2019/2020; £83k)
- By far the biggest increase in income was that of legacies and In memoriam donations, our legacies totaled £2.495m (2019/20; £2.172m) this included a very significant legacy of £1.1 million and three other legacies which were all in excess of £200k each. We are however very conscious of the fact that legacy income is very unpredictable and whilst we have had two good years, this could cease at any time
- In memoriam donations totaled £375k (2019/20; £290k) this was bolstered significantly (£182k) by Max Woosey 'the boy in the tent' who camped out in memory of his friend who was looked after by the Hospice. Further income raised by Max will be recognised in next year's accounts as he continues his fundraising endeavours
- This year saw our annual grant from NHS Devon increase by £15k (1.4%), to £1.1m, the grant contributes to the running of our Bedded Unit and our Community Nurse Specialists in the community. As with the previous year we also received a one-off payment of £75k to support our Hospice to Home service.

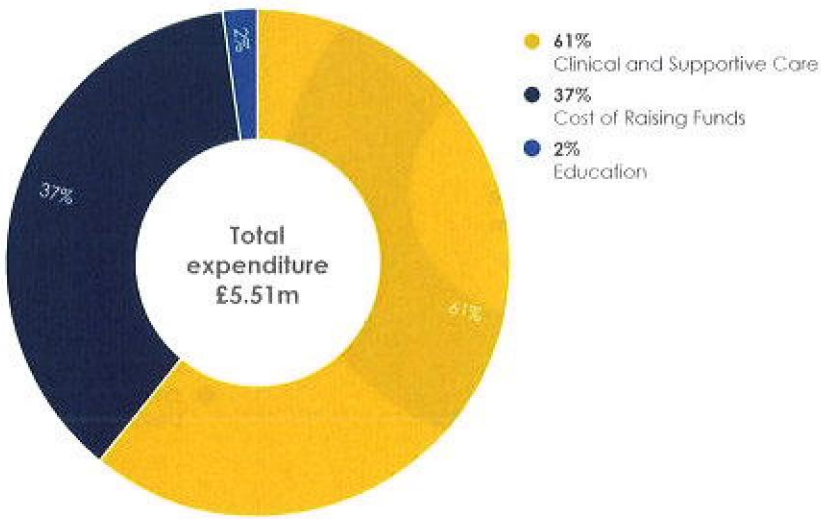



## Expenditure

- This year the cost of raising funds totaling £1.841million, was £422k less than the previous year. This was primarily because of the reduced activity in both retail and fundraising as a result of lockdown
- During the year we took the decision to close our Sheppard's outside catering business, before we went into lockdown we were under increasing pressure to maintain profit margins in this business, with increasing costs and customer looking for price reductions. Following the loss of one of the larger customers it was clear that the business was no longer sustainable unless we found additional

significant customers, given the economic uncertainty it was clear we could not sustain a profit from the operations. Sheppard's outside catering was therefore closed at the end of September 2020

- Expenditure on charitable activities drop in the year to £3.67 million from £3.87 million the previous year. The drop of £200k was mainly due to slower recruitment than normal in to vacant posts during the pandemic. As describe elsewhere in the report all services had to make adaptations to how services were delivered due to social distancing measures, whilst this did in some areas allow us to make saving in terms of travel costs, there were significant additional expenditure as a result of COVID, including the cost of providing PPE as well as setting up a very large number of staff with the capability to work from home
- Capital expenditure this financial year totaled £117k, a reduction of £16k from the previous year. The planned capital expenditure for the year was £271k however due to the pandemic many of the capital projects including refurbishment to our patient room ensuites were postponed. Of the £117k spent this included new specialist reclining arm chairs for our patient's rooms on the Bedded unit, a refurbishment of our family room and enhancements to some of our IT infrastructure to support the new patient records system and remote working which has been a must through the pandemic
- The charity has a wholly owned trading subsidiary called NDH Ventures Ltd. The trading activities of this company are the hospice lottery, bought in goods which we sell through our shops, and Sheppard's outside catering, although the Sheppard's business was closed on 30th September this year and did not trade due to lockdown. The profit for this company of £485k is gifted to the charity (2019/20; £503k)




## Investments and Reserves Policy

- The hospice has a policy which seeks to ensure that not only are investments made ethically, but that the investment strategy precludes investing in any company whose principal activities have an adverse impact on the underlying beneficiaries of the hospice

- The main areas of investment exclusion are those companies who have involvement in the manufacture or sale of weapons specifically landmines, cluster bombs, weapons of mass destruction, and chemical weapons or similar, or derive more than 10% of their turnover from tobacco or alcohol products, or provide no evidence of response to allegations of severe damage to ecosystems, natural habitats or populations of species i.e. biodiversity (for high and medium risk issues, or those who have breached a discharge consent for a Red list substance in the last three years or provided no evidence of response to allegations of breaches of core International Labour Organisation standards on child labour or forced labour in its own or its supply chain operations, or derive more than 10% of its turnover from the extraction of thermal coal, tar sands or oil shale. Any investment that initially passes the above tests, but then subsequently fails would be sold within the shortest reasonable period of time
- Newton Investment Management are appointed to manage the investment portfolio, their objectives are to achieve a balanced return from income and capital growth over the long-term
- At the beginning of this financial year our investment portfolio was valued at £3.8 million (2019/20; £3.513m). During the year we added an additional £750k (2019/20; £639k) to the portfolio due to cash being received from legacies. At the end of the previous financial year we saw the markets drop significantly due to COVID, this financial year we have seen a significant gain in the markets which has meant that our investments have increased by £1.01million (2019/20; loss £352k)
- The portfolio at the end of the year was valued at £5.645 million (2019/20; £3.8m). This increase has been transferred to reserves and a designated reserve has been set aside to offset any future losses. This is further detailed below
- We hold cash both in our current account for working capital purposes and in a number of deposit accounts. The total cash holding at year end was £2.6 million (2019/20; £1.42m) this is higher than normal as some of the government funding wasn't received into our bank accounts until close to yearend
- The Finance and HR Committee measures the performance of our portfolios against various benchmarks. Quarterly reports are received from our brokers. The board of trustees meet with our investment brokers annually
- As part of effective financial management and forward financial planning, trustees review the level of reserves held on a regular basis. Trustees look forward over the next 5 years and consider various scenarios which could affect our income or cost base. For example, considering the impact of a significant drop in legacy income, which is always an area of great uncertainty, or what is happening in the external environment which may affect our cost base or our ability to raise income, this year has highlighted the need for this more than any. Specifically in setting the level of reserves the following steps are taken;

## 1. Identifying any reserves which are restricted

Restricted funds can only be used for the purposes specified. These restrictions can be created because of the wording of a public appeal, through the terms of an award granted or the use may be specified by the donor.

## 2. Identifying functional assets

The trustees consider the fixed assets to be essential to the delivery of the charity's aims therefore the cost of such assets can be designated and excluded from the calculation of reserves.

## 3. Understanding the impact of risk

When setting the level of reserves the trustees look at the risks and uncertainties facing the charity. This is done by reviewing the top risks to the organisation and attributing a value to them. In doing this the trustees consider the different types of income stream, any vulnerability around sudden or unforeseen decline in a particular income source. Furthermore they consider the agreement in place for Clinical Commissioning Group (CCG) NHS funding and whether income is likely to be affected by the general economic situation, as well as the strength in relationship between the hospice, its donors and financial supporters. It then looks at its cost base and considers what risks there are to increased costs in working, for example is there a skills shortage in a particular area or will changes in demographic put a greater burden on services, what are the changing needs of our beneficiaries, and are we meeting demand.

The trustees believe that the risk based reserve set last year of £2.85 million is still an appropriate level, for normal risks facing the organisation. However in light of COVID the trustees have further designated a reserve to specifically address this risk. This is detailed below:

## Restricted reserves

The total value of restricted reserves is £126k as of 31st March 2021 (2019/20; £151k) which is identified as follows:

- Patient services – £39k (2019/20; £9k) of reserves are restricted for the further enhancement of services delivered to patients and will be used in accordance to the donors' wishes
- Capital Projects – £85k (2019/20; £140k) has been restricted for capital projects relating to improvements predominantly to support patient areas and includes, a refurbished patient dining room and new ensuite bathrooms for 7 bedrooms
- Long House – £2k (2019/20; £2k) relates specifically to the projects at the Long House, our Outreach Centre in Holsworthy. As the Long House has had to close during the pandemic this money will be spent as it reopens in 2021
- COVID - £1.683 million was received to support the continuation of services during the COVID pandemic. Specifically NHSE awarded its funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 and 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. In addition we received £75k from Devon CCG to support the additional cost of working in light of the pandemic. All funding was utilised during the year.

## Designated Reserves

The trustees have identified the need for the following designated reserves:

- Building and Assets – as previously stated the trustees consider fixed assets essential to the delivery of the charity's aims, as such a fund equal to the net book value of hospice fixed assets, which cannot be used to fund expenditure without being sold has been set aside. This year saw a decrease in this fund of £117k (2019/20; decrease £114k) being the net of additions in the year and the annual cost of depreciation
- Investment Reserve – the charity holds £5.6million (2019/20; £3.8million) in investments, a fund is held equal to the revaluation of investments to market value at the balance sheet date which have not been realised. This year saw an increase in this fund of £1.094 million (2019/20; decrease £352k)
- Risk based Reserve – as previously described the trustees review as part of the risk management and financial planning process the level of reserves to cover the financial impact of the main risks to the charity including exposure to changes in income or expenditure. This year the fund remained at £2.85m (2019/20; £2.85m)
- Income diversification –the trustees have identified the need to establish an alternative sustainable source of income in addition to our current income streams. There are a number of ideas currently being considered, the trustee have set aside £600k as a new reserve this year to invest in a project which will generate circa10% return on investment on a yearly basis
- Hospice to Home – recognising the huge importance of our Hospice to Home team who provide hands on nursing in patients home, the trustees have set aside funds to support the service whilst we continue to work with the CCG to find sustainable funding for this service. To provide this service, without any further growth in the team, will over a 5 year period cost £1.768 million. Funds of this amount have now been designated for this service
- Strategy 2021-2026 – we had to delay the launch of the new 5 year strategy due to COVID. The strategy has been refined in light of the pandemic and concerns around the ongoing impact of COVID. A number of key projects and milestones have been identified to achieve this strategy, as a result the trustees increased these designated funds to support the strategy moving forward.
    - Service Provision and Organisational Development- additional funds of £870k have been added to this fund during the year bringing the total to £1.995 million (2019/20; £1.125m). This will support the recently implemented pay model for the next 5 years which brings staff salaries to no less than 5% below the benchmarked market median pay for individual roles. Thus ensuring that we are able to attract and retain the highly skilled staff we need to sustain and develop our services. Alongside this we are implementing the revised model of care and will develop, over a 5 year period, further services to enhance the

support to our patients and their families and be more responsive to their changing needs

- Digital Development and Innovations- this fund has been reduced by £184k this year. Some of our planned digital development had to be expedited this year this year to enable us to continue working during the pandemic. The funds of £318k (2019/20; £502k) will be used to support further digital development and innovation as identified in our strategy, including initiatives such as digital tap and go donations, improving patient access via digital technology particularly for those in remote locations and improved education access via podcasts and webinars.

- COVID response –this year with an amazing legacy income and the NHSE government funding we have braved the storm of COVID, which had meant we did not need to use the reserve we designated at the end of last year. However as we move into the next financial year the nation continues to have restrictions as we follow the government steps out of lockdown. This will continue to have an impact on our ability to raise funds, we know that we will not receive any government support this year so have looked at the implications on our income and costs as we progress through the next financial year and move out of restrictions. With this in mind we have calculated that with a reduction in normal income and additional costs of working it will impact the hospice negatively during 2021/22 by approximately £472k. The trustees have therefore adjusted the COVID fund to this level supporting the financial implications of the pandemic through 2021/22.

# Statement as to disclosure of information to auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charity's auditors are unaware; and
- 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 auditors are aware of that information.

# Statement of Trustees Responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and 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 charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

On behalf of the board,

SBates

**Mrs. Sharon Bates**
Chair of Trustees
22 July 2021

# 2. North Devon Hospice Information

**Status**
The Charity's governing document is its Articles of Association

| | |
|---|---|
| **Charity number** | 286554 |
| **Company registration number** | 1696150 |
| **Registered office** | North Devon Hospice<br>Deer Park Road<br>Newport<br>Barnstaple<br>Devon<br>EX32 0HU |
| **The Board of Trustees** | Dr. Annabelle Tree<br>Dave Cottingham<br>Kate Cox<br>Matt Jones (stepped down May 2021)<br>Mary Brooks<br>Peregrine Mears<br>Rob Withecombe<br>Sharon Bates; Chair<br>Teresa Turner<br>Tom Parkin<br>Jennifer Wilmott<br>Zara Svensson<br>Rachel Loosemore (appointed June 2021) |
| **Chief Executive & Secretary** | Stephen Roberts |
| **Senior Management** | Cate Oliver, Director of Human Resources and Organisational Development<br>Josephine Dedes, Director of Care<br>Samantha Husband, Director of Finance |
| **Auditors** | PKF Francis Clark<br>Blackbrook Gate 1<br>Blackbrook Business Park<br>Taunton TA1 2PX |
| **Bankers** | National Westminster Bank<br>41 High Street<br>Barnstaple<br>Devon<br>EX31 1DH |
| **Solicitors** | Tozers LLP<br>Broadwalk House<br>Southernhay West<br>Exeter<br>EX1 1UA |

| | |
|---|---|
| **Pension advisors** | Davisons Financial Management<br>Lime Court<br>Pathfields Business Park<br>South Molton<br>North Devon<br>EX36 3LH |
| **Stockbrokers** | Newton Investment Management<br>160 Queen Victoria Street<br>London<br>EC4V 4LA |
| **Patron** | The Countess of Arran MBE, VLL |
| **Vice Presidents** | John Brend<br>Geoffrey Cox QC<br>Gavyn Davies OBE<br>Sir Nick Harvey<br>Philip Jewell<br>Ron Ley MBE FRICS<br>David Morgan<br>Mark Parkhouse DL<br>John Riley<br>The Hon. John Rous DL<br>Lady Stucley<br>David Whitely |

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

## Opinion

We have audited the financial statements of North Devon Hospice (the 'Charitable Company') for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement, 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 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 and Charitable Company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including 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 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 the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate and that the trustees have disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

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.

### Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the strategic report.

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 30, the trustees 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 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

### 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Group. We gained an understanding of the sector in which the Group operates as part of this assessment to identify the key laws and regulations affecting the Group. The regulatory environment was discussed with the relevant individuals responsible for compliance and the Group's website for indication of any regulations and certification in place. The key regulations we identified were health and safety regulations, CQC regulations and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities: Statement of Recommended Practice (SORP).

We discussed with management how the compliance with these laws and regulations in monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Group's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of up to date correspondence with the CQC, CQC website and last inspection report to identify any non-compliance.
- Review of the group's GDPR policy and enquiries to the Data Protection Officer as to the occurrence and outcome of any reportable breaches.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to cash income and expenditure, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud, of which there were none. Based upon our understanding we designed and conducted audit procedures including:

# 3. Independent Auditor's Report to the Members of North Devon Hospice (Company Limited by Guarantee)

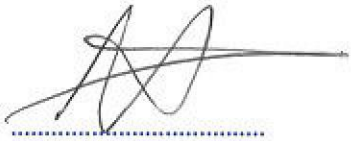
- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the 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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



.....

**Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)**
**PKF FRANCIS CLARK**
Chartered Accountants and Statutory Auditor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Date: 23rd August 2021

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Consolidated Statement of Financial Activities
## Including Consolidated Income and Expenditure Account
## For the Year Ended 31 March 2021

| | Note | Unrestricted Funds 2021 £ | Restricted Funds 2021 £ | Total Funds 2021 £ | Unrestricted Funds 2020 £ | Restricted Funds 2020 £ | Total Funds 2020 £ |
|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | |
| Legacies & In Memoriam Donations | | 2,869,861 | 476 | **2,870,337** | 2,462,747 | 110 | 2,462,857 |
| Fundraising & Donations | | 689,567 | 63,045 | **752,612** | 850,151 | 101,506 | 951,657 |
| Gifts in Kind | | 53,433 | - | **53,433** | 79,754 | - | 79,754 |
| Charitable activities | | | | | | | |
| Income from supporting Direct Patient Care | | 1,434,089 | - | **1,434,089** | 1,553,327 | 123,000 | 1,676,327 |
| Educational Services | | 2,395 | - | **2,395** | 6,161 | - | 6,161 |
| Other trading activities | | 1,242,851 | - | **1,242,851** | 2,201,240 | - | 2,201,240 |
| Investments | | 102,503 | - | **102,503** | 106,250 | - | 106,250 |
| Other | | 21,281 | 1,683,084 | **1,704,365** | 24,155 | - | 24,155 |
| **TOTAL INCOME** | 3 – 7 | 6,415,980 | 1,746,605 | **8,162,585** | 7,283,785 | 224,616 | 7,508,401 |
| **EXPENDITURE** | | | | | | | |
| Raising funds | | 1,163,328 | 678,235 | **1,841,563** | 2,263,553 | - | 2,263,553 |
| Charitable activities | | | | | | | |
| Supportive Care | | 372,590 | 156,368 | **528,958** | 583,402 | 15,559 | 598,961 |
| Hospice to Home | | 309,604 | 142,911 | **452,515** | 581,581 | 1,103 | 582,684 |
| Community | | 439,570 | 164,590 | **604,160** | 690,859 | 19,316 | 710,175 |
| In Patient Unit | | 1,431,676 | 551,764 | **1,983,440** | 1,841,714 | 38,350 | 1,880,064 |
| Education | | 75,545 | 28,287 | **103,832** | 106,131 | - | 106,131 |
| **TOTAL EXPENDITURE** | 8 | 3,792,313 | 1,722,155 | **5,514,468** | 6,067,240 | 74,328 | 6,141,568 |
| **NET INCOME / (EXPENDITURE) BEFORE NET GAINS/ (LOSSES) ON INVESTMENTS** | | 2,623,667 | 24,450 | **2,648,117** | 1,216,545 | 150,288 | 1,366,833 |
| Net gains / (losses) on investments | | 1,094,300 | - | **1,094,300** | (351,785) | - | (351,785) |
| **NET INCOME / (EXPENDITURE) FOR THE YEAR** | | 3,717,967 | 24,450 | **3,742,417** | 864,760 | 150,288 | 1,015,048 |
| Transfers between funds | 27 | 49,457 | (49,457) | - | 56,009 | (56,009) | - |
| **NET MOVEMENTS IN FUNDS** | | 3,767,424 | (25,007) | **3,742,417** | 920,769 | 94,279 | 1,015,048 |
| **RECONCILIATION OF FUNDS** | | | | | | | |
| **FUNDS BROUGHT FORWARD** | 27 | 9,844,094 | 151,423 | **9,995,517** | 8,923,325 | 57,144 | 8,980,469 |
| **FUNDS CARRIED FORWARD** | 27 | 13,611,518 | 126,416 | **13,737,934** | 9,844,094 | 151,423 | 9,995,517 |

The notes on pages 40 to 58 form an integral part of these financial statements.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Consolidated and Company Balance Sheet
## For the Year Ended 31 March 2021

| | Note | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 15 | **36,013** | 52,559 | **36,013** | 52,559 |
| Tangible assets | 16 | **3,370,576** | 3,471,193 | **3,370,576** | 3,470,268 |
| Investments | 19 | **5,644,574** | 3,800,274 | **5,730,148** | 3,885,848 |
| | | **9,051,163** | 7,324,026 | **9,136,737** | 7,408,675 |
| **CURRENT ASSETS** | | | | | |
| Stock | 20 | **31,764** | 38,271 | **-** | - |
| Debtors | 21 | **2,539,636** | 1,705,209 | **2,537,107** | 1,693,037 |
| Cash at bank and in hand | 22 | **2,599,728** | 1,420,927 | **2,590,920** | 1,341,361 |
| | | **5,171,128** | 3,164,407 | **5,128,027** | 3,034,398 |
| **LIABILITIES** | | | | | |
| Creditors: Amounts falling due within one year | 23 | **(481,836)** | (490,395) | **(524,965)** | (445,693) |
| **NET CURRENT ASSETS** | | **4,689,292** | 2,674,012 | **4,603,062** | 2,588,705 |
| **PROVISIONS** | 25 | **2,521** | 2,521 | **-** | - |
| **NET ASSETS** | | **13,737,934** | 9,995,517 | **13,739,799** | 9,997,380 |
| **FUNDS** | | | | | |
| **Unrestricted Funds** | | | | | |
| General funds | 27 | **534,095** | 480,157 | **535,960** | 482,019 |
| Investment revaluation reserve | 27 | **1,667,421** | 573,120 | **1,667,421** | 573,120 |
| Designated funds | 27 | **11,410,002** | 8,790,817 | **11,410,002** | 8,790,817 |
| | | **13,611,518** | 9,844,094 | **13,613,383** | 9,845,956 |
| **Restricted Funds** | 27 | **126,416** | 151,423 | **126,416** | 151,423 |
| **TOTAL FUNDS** | | **13,737,934** | 9,995,517 | **13,739,799** | 9,997,379 |

30/7/21

The financial statements were approved by the trustees on ... and signed on their behalf by:

S Bates.

Mrs. Sharon Bates
Chair of Trustees

Company Registration Number: 1696150

The notes on pages 40 to 58 form an integral part of these financial statements.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Consolidated Statement of Cash Flows
## For the Year Ended 31 March 2021

| | Note | 2021<br>£ | 2020<br>£ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net income/(expenditure) for the year | | 3,742,417 | 1,015,048 |
| **Adjustments to cash flows from non-cash items** | | | |
| Depreciation charge | 9 | 217,176 | 218,964 |
| Amortisation charge | 9 | 16,546 | 21,462 |
| (Gains)/loss on investments | | (1,094,300) | 351,785 |
| Dividends and interest from investments | | (102,503) | (106,250) |
| Loss/(profit) on the disposal of fixed assets | 9 | 28 | 7,067 |
| | | 2,779,364 | 1,508,076 |
| **Working capital adjustments** | | | |
| (Increase)/decrease in stock | 20 | 6,507 | 11,768 |
| (Increase)/Decrease in debtors | 21 | (834,427) | (319,794) |
| Increase/(decrease) in creditors | 23 | (8,559) | (49,871) |
| **Net cash flows from operating activities** | | 1,942,885 | 1,150,179 |
| **Cash flows from investing activities** | | | |
| Dividends and Interest from investments | | 102,503 | 106,250 |
| Payments to acquire intangible fixed assets | | - | (22,120) |
| Payments to acquire tangible fixed assets | | (116,587) | (111,645) |
| Proceeds from sale of investments | | - | - |
| Payments into investments | | (750,000) | (638,961) |
| **Net cash flows from investing activities** | | (764,084) | (666,476) |
| **Net increase in cash and cash equivalents** | | 1,178,801 | 483,703 |
| **Cash and cash equivalents at 1 April** | 22 | 1,420,927 | 937,224 |
| **Cash and cash equivalents at 31 March** | 22 | 2,599,728 | 1,420,927 |

The notes on pages 40 to 58 form an integral part of these financial statements.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2021**

## 1. Company status

The company is a registered charity and a company limited by guarantee incorporated in England and Wales, without share capital. The address of the registered office, and main trading address, is North Devon Hospice, Deer Park Road, Newport, Barnstaple, Devon, EX32 0HU. The guarantors are the members to the extent of £1 each. There were 35 (2020: 35) members at the balance sheet date.

## 2. Accounting policies

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

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 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

The accounts are presented in Sterling which is also the functional currency of the group.

### Group financial statements

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary, NDH Ventures Ltd., 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 section 408 of the Companies Act 2006.

### Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the group 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified by the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent assets and disclosed if material.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2021**

## 2. Accounting policies *(continued)*

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

### Donations of gifts, services and facilities

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

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

### Interest receivable

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

### Fund accounting

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

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 27.

### Resources expended

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 relates to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services to our patients and their families as well as educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

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

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2021**

## 2. Accounting policies *(continued)*

### Allocation of support costs

Resources expended are allocated to the particular charitable activity where the cost relates directly to that activity. However, other support costs not directly related are 100% allocated to charitable activities based on a combination of headcount, space and discrete charges.

### Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

### Intangible fixed assets and amortisation

Intangible fixed assets, consisting of software, are capitalised at purchase cost and amortised over their useful economic lives. Amortisation costs are allocated to activities on which the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate that their carrying value may exceed their realisable value and value in use.

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

| | |
|---|---|
| Software | 5 years |

### Tangible fixed assets and depreciation

Individual items purchased below £500 are not normally considered as capital expense unless its useful life is greater than 4 years. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their realisable value and value in use.

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

| | |
|---|---|
| Freehold land | Not depreciated |
| Freehold building | 50 years straight line |
| Leasehold property improvements | 5-20 years straight line |
| Fixtures and fittings | 5 years straight line |
| Computer equipment | 5 years straight line |
| Motor vehicles | 5 years straight line |

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2021**

## 2. Accounting policies *(continued)*

### Listed investments

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

The historic cost of investments is calculated on a FIFO basis.

### Investments in subsidiaries

Investments in subsidiaries are initially recorded at cost.

### Stock

Stock is stated at the lower of cost and net realisable value. In general, cost is determined on a 'first in, first out' basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are not valued as the charity would not otherwise have bought them.

### Cash at bank and in hand

Cash at bank and 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 the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

### Pension costs

The group operates a defined contribution pension scheme and contributes into two defined benefit pension schemes. Contributions into the defined contribution scheme are recognised in the statement of financial activities in the period in which they become payable in accordance with the rules of the scheme. Defined benefit pension funds have been accounted for as defined contribution schemes since these are a state plan and a multi-employer scheme, and the group is unable to identify its share of the underlying assets or liabilities of these funds.

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2021**

## 2. Accounting policies *(continued)*

### Financial instruments

The group only has financial assets and financial liabilities that qualify as basic financial instruments, being investments, trade debtors and trade creditors. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value. Any losses arising from impairment ('doubtful debts') are recognised in the statement of financial activities.

### Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the trustees have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provision is made against specific trade debtors where recoverability is considered doubtful.

Legacy income which is recognisable under the income recognition policy, but has not yet been received, is provided for as accrued income until paid. The accrued income is provided at the level estimated within Probate documentation, less low level provisions for solicitor costs etc.

Key management personnel for the purposes of disclosure are considered to be the trustees and senior management team. The trustees are not remunerated.

The Trustees are satisfied, having considered the current financial position and performance of the charity in light of the ongoing Covid-19 challenges, that the going concern assessment (which is a critical accounting judgement) remains appropriate. In making this assessment, the Trustees have sensitised their financial forecasts and cash flow projections for the next 12 months (from the date of approval of these financial statements) to take account of reasonably possible changes in funding and income levels, in order to determine when, and to what extent any further cost management measures – which have already been identified- may need to be implemented. Management have made all necessary enquiries of key stakeholders and adapted the various service provisions such that the core care provision both in the hospice properties and in the community continue un-interrupted and, as such, the related funding is expected to continue at expected levels. In addition, management have adapted charitable fundraising strategies and established plans for the re-opening of the retail shop network in April 2021 as appropriate in the light of UK Government guidance and commercial risk and opportunity.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2021

### 3. Income from donations, gifts and legacies

| | Unrestricted £ | Restricted £ | 2021 £ | 2020 £ |
|---|---|---|---|---|
| Legacies & In Memoriam Donations | 689,567 | 63,045 | 752,612 | 2,462,857 |
| Fundraising & Donations | 2,869,861 | 476 | 2,870,337 | 951,657 |
| Gifts in Kind | 53,433 | - | 53,433 | 79,754 |
| | 3,612,861 | 63,521 | 3,676,382 | 3,494,268 |

### 4. Income from charitable activities

| | Unrestricted £ | Restricted £ | 2021 £ | 2020 £ |
|---|---|---|---|---|
| CCG Grant | 1,308,037 | - | 1,308,037 | 1,538,942 |
| CHC Funding | 126,052 | - | 126,052 | 137,385 |
| Sub-total for Income supporting Direct Patient Care | 1,434,089 | - | 1,434,089 | 1,676,327 |
| Educational Training | 2,395 | - | 2,395 | 6,161 |
| Total income from charitable activities | 1,436,484 | - | 1,436,484 | 1,682,488 |

### 5. Income from other trading activities

| | Unrestricted £ | Restricted £ | 2021 £ | 2020 £ |
|---|---|---|---|---|
| Shops & Monopoly | 308,489 | - | 308,489 | 1,414,637 |
| Lottery | 648,676 | - | 648,676 | 786,603 |
| Business Grants | 285,686 | - | 285,686 | - |
| | 1,242,851 | - | 1,242,851 | 2,201,240 |

### 6. Income from investments

| | Unrestricted £ | Restricted £ | 2021 £ | 2020 £ |
|---|---|---|---|---|
| Dividends | 98,932 | - | 98,932 | 98,730 |
| Deposit Interest | 3,571 | - | 3,571 | 7,520 |
| | 102,503 | - | 102,503 | 106,250 |

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2021

### 7. Other Income

| | Unrestricted | Restricted | 2021 | 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Government Covid Support | - | 1,427,296 | **1,427,296** | - |
| Coronavirus Job Retention Scheme (Furlough) | - | 180,788 | **180,788** | - |
| CCG Support for Coronavirus | - | 75,000 | **75,000** | - |
| Disposal of Assets | 2,922 | - | **2,922** | (7,018) |
| Other | 18,359 | - | **18,359** | 31,170 |
| | **21,281** | **1,683,084** | **1,704,365** | 24,155 |

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2021

### 8. Analysis of expenditure

| | Cost of raising funds £ | Supportive care £ | Hospice to Home £ | Community £ | In Patient Unit £ | Education £ | Governance costs £ | Support costs £ | 2021 Total £ | 2020 Total £ |
|---|---|---|---|---|---|---|---|---|---|---|
| Staff costs | 923,211 | 353,646 | 286,337 | 445,191 | 1,210,867 | 65,716 | - | 847,668 | **4,132,636** | 4,339,111 |
| In Patient Unit | - | - | - | - | 227,295 | - | - | - | **227,295** | 198,820 |
| Community | - | - | - | 19,262 | - | - | - | - | **19,262** | 36,786 |
| Supportive Care | - | 20,261 | - | - | - | - | - | - | **20,261** | 64,522 |
| Education | - | - | - | - | - | 1,903 | - | - | **1,903** | 5,343 |
| Hospice to home | - | - | 40,346 | - | - | - | - | - | **40,346** | 44,617 |
| Fundraising Activities | 56,999 | - | - | - | - | - | - | - | **56,999** | 179,235 |
| Shops | 352,576 | - | - | - | - | - | - | - | **352,576** | 444,793 |
| Lottery & Sheppard's | 116,280 | - | - | - | - | - | - | - | **116,280** | 220,195 |
| Facilities & Premises | - | - | - | - | - | - | - | 98,313 | **98,313** | 113,858 |
| Catering | - | - | - | - | - | - | - | 15,290 | **15,290** | 18,492 |
| House Keeping | - | - | - | - | - | - | - | 13,133 | **13,133** | 13,944 |
| Finance & IT | - | - | - | - | - | - | 15,658 | 80,914 | **96,572** | 103,933 |
| Administration | - | - | - | - | - | - | 5,784 | 11,490 | **17,274** | 43,593 |
| Communication | - | - | - | - | - | - | 7,627 | 53,500 | **61,127** | 51,228 |
| Human Resource | - | - | - | - | - | - | - | 11,479 | **11,479** | 22,673 |
| Depreciation | 34,575 | - | - | - | - | - | - | 199,147 | **233,722** | 240,425 |
| | 1,483,641 | 373,907 | 326,683 | 464,453 | 1,438,162 | 67,619 | 29,069 | 1,330,934 | **5,514,468** | 6,141,568 |
| Support Costs | 356,664 | 147,462 | 117,956 | 134,812 | 539,518 | 34,522 | - | (1,330,934) | - | - |
| Governance costs | 1,258 | 7,589 | 7,876 | 4,895 | 5,760 | 1,691 | (29,069) | - | - | - |
| **Total expenditure** | **1,841,563** | **528,958** | **452,515** | **604,160** | **1,983,440** | **103,832** | - | - | **5,514,468** | 6,141,568 |
| Total expenditure 2020 | 2,263,553 | 598,961 | 582,684 | 710,175 | 1,880,064 | 106,131 | - | - | 6,141,568 | 6,018,706 |

Of the total expenditure, £3,792,313 was unrestricted (2020: £6,067,240) and £1,722,155 was restricted (2020: £74,328).

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2021

### 9. Net incoming resources for the year

This is stated after charging / crediting:

| | 2021 £ | 2020 £ |
|---|---|---|
| Amortisation | 16,545 | 21,462 |
| Depreciation | 217,176 | 218,963 |
| Loss/(profit) on disposal of fixed assets | (2,922) | 7,018 |
| Operating lease rentals: | | |
| Property | 179,425 | 188,592 |
| Other | 10,926 | 40,972 |

### 10. Auditor's remuneration

| | 2021 £ | 2020 £ |
|---|---|---|
| The analysis of auditor's remuneration is as follows: | | |
| Audit fees | 11,300 | 11,025 |
| Accountancy services | 1,500 | 1,500 |
| Tax compliance services | 975 | 1,100 |
| | 13,775 | 13,625 |

### 11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

| | 2021 £ | 2020 £ |
|---|---|---|
| Salaries and wages | 3,600,195 | 3,773,575 |
| Employer's National Insurance | 301,721 | 312,040 |
| Employer's contribution to defined contribution pension schemes | 230,720 | 253,496 |
| | 4,132,636 | 4,339,111 |

The following number of employees received employee benefits (excluding pension costs) during the year between:

| | 2021 | 2020 |
|---|---|---|
| £60,000 - £69,999 | 3 | 2 |
| £70,000 - £79,999 | 2 | 2 |

The total employee benefits including pension contributions of the key management personnel were £299,913 (2020: £274,252).

The charity trustees were not paid, or received any other benefits, from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses were £nil in both the current and prior year.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2021

### 12. Staff numbers

The average number of employees was:

| | Average 2021 No. | FTE 2021 No. | Average 2020 No. | FTE 2020 No. |
|---|---|---|---|---|
| Fundraising Activities | 40 | 33 | 47 | 35 |
| Direct Care | 79 | 58 | 92 | 59 |
| Education | 2 | 1 | 2 | 1 |
| NDH Ventures | 3 | 2 | 8 | 3 |
| Support | 44 | 34 | 46 | 34 |
| | 168 | 128 | 195 | 132 |

### 13. Related party transactions

There are no related party transactions to disclosure for 2021 (2020: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

### 14. Taxation status

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 11 Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The charity's trading subsidiary NDH Ventures Limited gift aids available profits to the parent charity. Its charge to corporation and deferred tax in the year was £nil (2020: £nil).

# 4. Financial Statements

**North Devon Hospice (Company Limited by Guarantee)**
**Notes to the Accounts**
**For the Year Ended 31 March 2021**

## 15. Intangible fixed assets

### Group and company

| | Software £ | Total £ |
|---|---|---|
| **Cost** | | |
| As at 1 April 2020 | 254,460 | 254,460 |
| Disposals | (31,649) | (31,649) |
| As at 31 March 2021 | 222,811 | 222,811 |
| **Depreciation** | | |
| As at 1 April 2020 | 201,901 | 201,901 |
| Charge for the Year | 16,546 | 16,546 |
| Disposals | (31,649) | (31,649) |
| As at 31 March 2021 | 186,798 | 186,798 |
| **Net book value** | | |
| As at 31 March 2021 | 36,013 | 36,013 |
| As at 31 March 2020 | 52,559 | 52,559 |

## 16. Tangible fixed assets

| Group | Freehold & Leasehold £ | Fixtures and fittings £ | Computer equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As at 1 April 2020 | 4,406,965 | 634,918 | 258,222 | 122,672 | 5,422,777 |
| Additions | 29,970 | 24,238 | 62,379 | - | 116,587 |
| Disposals | - | (50,313) | (1,179) | (8,539) | (60,031) |
| As at 31 March 2021 | 4,436,935 | 608,843 | 319,422 | 114,133 | 5,479,333 |
| **Depreciation** | | | | | |
| As at 1 April 2020 | 1,234,800 | 455,278 | 169,470 | 92,036 | 1,951,584 |
| Charge for the Year | 99,023 | 64,467 | 41,392 | 12,294 | 217,176 |
| Disposals | - | (50,313) | (1,151) | (8,539) | (60,003) |
| As at 31 March 2021 | 1,333,823 | 469,432 | 209,711 | 95,791 | 2,108,757 |
| **Net book value** | | | | | |
| As at 31 March 2021 | 3,103,112 | 139,411 | 109,711 | 18,342 | 3,370,576 |
| As at 31 March 2020 | 3,172,165 | 179,640 | 88,752 | 30,636 | 3,471,193 |

Land with a carrying value of £175,729 (2020: £175,729) is included within freehold property and not depreciated. All of the above assets are used for charitable purposes.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2021

### 16. Tangible fixed assets *(continued)*

| Charity | Freehold & Leasehold £ | Fixtures and fittings £ | Computer equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As at 1 April 2020 | 4,406,965 | 634,918 | 257,523 | 114,133 | **5,413,539** |
| Additions | 29,970 | 24,238 | 62,379 | - | **116,587** |
| Disposals | - | (50,313) | (1,179) | - | **(51,492)** |
| As at 31 March 2021 | 4,436,935 | 608,843 | 318,723 | 114,133 | **5,478,634** |
| **Depreciation** | | | | | |
| As at 1 April 2020 | 1,234,800 | 455,278 | 169,027 | 84,166 | **1,943,271** |
| Charge for the Year | 99,023 | 64,467 | 41,136 | 11,625 | **216,250** |
| Disposals | - | (50,313) | (1,151) | - | **(51,464)** |
| As at 31 March 2021 | 1,333,823 | 469,432 | 209,012 | 95,791 | **2,108,057** |
| **Net book value** | | | | | |
| As at 31 March 2021 | 3,103,112 | 139,411 | 109,711 | 18,342 | **3,370,576** |
| As at 31 March 2020 | 3,172,165 | 179,640 | 88,496 | 29,967 | **3,470,268** |

Land with a carrying value of £175,729 (2020: £175,729) is included within freehold property and not depreciated. All of the above assets are used for charitable purposes.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2021

### 17. Trading subsidiary

#### NDH Ventures Ltd.

The charitable company owns the whole of the issued ordinary share capital of NDH Ventures Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

A summary of its results is shown below:

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Turnover | **675,320** | 851,145 |
| Cost of Sales | **(124,163)** | (259,922) |
| Gross Profit | **551,157** | 591,223 |
| Administrative Expenses | **(74,092)** | (88,466) |
| Other operating income | **7,960** | - |
| Profit on Ordinary Activities | **485,025** | 502,757 |
| Taxation | **-** | - |
| Profit for the financial year | **485,025** | 502,757 |
| Dividend paid to parent undertaking | **485,025** | 502,757 |
| The aggregate of the assets, liabilities and funds were: | | |
| Assets | **168,512** | 168,519 |
| Liabilities | **(84,803)** | (84,810) |
| | **83,709** | 83,709 |

### 18. Parent charity

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

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Gross income | **7,961,408** | 7,167,027 |
| Result for the year | **3,742,417** | 1,015,045 |

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2021

### 19. Investments

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|
| Fair value at the start of the year | 3,800,274 | 3,513,098 | 3,885,848 | 3,598,672 |
| Additions at cost | 750,000 | 638,961 | 750,000 | 638,961 |
| Disposal proceeds | - | - | - | - |
| Net (loss)/gain on change in fair value | 1,094,300 | (351,785) | 1,094,300 | (351,785) |
| | 5,644,574 | 3,800,274 | 5,730,148 | 3,885,848 |
| Historic cost at the end of the year | 3,977,153 | 3,227,153 | 4,062727 | 3,312,727 |

Investments comprise:

| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
|---|---|---|---|---|
| UK Common investment funds | 5,644,574 | 3,800,274 | 5,644,574 | 3,800,274 |
| Unlisted shares in subsidiary undertaking Incorporated in the UK | - | - | 85,574 | 85,574 |
| | 5,644,574 | 3,800,274 | 5,730,148 | 3,885,848 |

Investments representing over 5% by value of the portfolio (group and charity) comprise:

| | 2021 £ | 2020 £ |
|---|---|---|
| BNY MELLON – Newton SRI Fund for Charities | 5,644,574 | 3,800,274 |

### 20. Stock

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|
| Finished goods for resale | 31,764 | 38,271 | | - |

### 21. Debtors

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|
| Trade Debtors | 55,052 | 146,440 | 55,052 | 146,440 |
| Other Debtors | 36,307 | 41,393 | 36,307 | 41,393 |
| Prepayments | 115,793 | 166,426 | 113,264 | 154,254 |
| Accrued income | 2,332,484 | 1,350,950 | 2,332,484 | 1,350,950 |
| | 2,539,636 | 1,705,209 | 2,537,107 | 1,693,037 |

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2021

### 22. Analysis of cash and cash equivalents

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|
| Cash in hand | 2,012 | 2,192 | 2,012 | 2,192 |
| Cash at bank | 2,597,716 | 1,418,735 | 2,588,908 | 1,339,169 |
| | 2,599,728 | 1,420,927 | 2,590,920 | 1,341,361 |

| Analysis of net debt | Opening £ | Cash flow £ | Closing £ |
|---|---|---|---|
| Total cash | 1,420,927 | 1,178,801 | 2,599,728 |

### 23. Creditors: Amounts falling due within one year

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|
| Trade Creditors | 116,118 | 116,788 | 116,118 | 116,788 |
| Amounts due to group undertakings | - | - | 125,411 | 37,585 |
| Other taxes and social security | 72,065 | 76,776 | 72,065 | 76,776 |
| Accruals | 166,200 | 173,092 | 166,200 | 173,092 |
| Deferred income (Note 24) | 127,453 | 123,739 | 45,171 | 41,452 |
| | 481,836 | 490,395 | 524,965 | 445,693 |

### 24. Deferred income

Deferred income comprises of Fundraising Events income, where events will take place in the future year, and Lottery income, where draws will take place in the future year.

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|
| Balance Brought Forward | 123,739 | 122,480 | 41,449 | 38,170 |
| Amount released to income in the year | (108,690) | (122,480) | (26,400) | (38,170) |
| Amount deferred in the year | 112,404 | 123,739 | 30,122 | 41,449 |
| Balance Carried Forward | 127,453 | 123,739 | 45,171 | 41,449 |

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2021

### 25. Provisions – deferred tax

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|
| Balance Brought Forward | 2,521 | 2,521 | - | - |
| Increase in provision in the year | - | - | - | - |
| Balance Carried Forward | 2,521 | 2,521 | - | - |

### 26. Pension schemes

***Defined benefit pension schemes***

***NHS pension scheme***

The company 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 £121,276 (2020: £144,597).

Contributions amounting to £15,674 (2020: £17,958) were payable to the Fund at 31 March 2021 and are included in other creditors.

***Defined contribution pension scheme***

***AEGON pension scheme***

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £109,444 (2020: £108,899).

Contributions amounting to £16,721 (2020: £16,788) were payable to the Fund at 31 March 2021 and are included in other creditors.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2021

### 27. Statement of funds

| Group | As at 1 April 2020 £ | Income £ | Expenditure £ | Gains/ (Losses) Transfers £ | As at 31 March 2021 £ |
|---|---|---|---|---|---|
| **Unrestricted Funds:** | | | | | |
| **Designated Funds:** | | | | | |
| Buildings and assets | 3,523,752 | - | - | (117,163) | **3,406,589** |
| Risk based reserve | 2,850,000 | - | - | - | **2,850,000** |
| Income Generation Diversification | - | - | - | 600,000 | **600,000** |
| H2H Service Provision | - | - | - | 1,768,595 | **1,768,595** |
| Strategy Service Provision & Organisational Development 21-26 | 1,125,462 | - | - | 869,918 | **1,995,380** |
| Strategy Digital Development & Innovation 21-26 | 501,603 | - | - | (184,000) | **317,603** |
| COVID Response | 790,000 | - | - | (318,165) | **471,835** |
| **Total designated funds** | 8,790,817 | - | - | 2,619,185 | **11,410,002** |
| **Revaluation reserve** | 573,120 | - | - | 1,094,300 | **1,667,420** |
| **General funds** | 480,157 | 7,510,280 | (3,792,313) | (3,664,028) | **534,096** |
| **Total unrestricted funds** | **9,844,094** | **7,510,280** | **(3,792,313)** | **49,457** | **13,611,518** |
| **Restricted Funds:** | | | | | |
| Patient services | 8,604 | 29,376 | (39,071) | 40,026 | **38,935** |
| Long House | 2,088 | - | - | - | **2,088** |
| Capital other | 140,731 | 34,145 | - | (89,483) | **85,393** |
| Covid | - | 1,683,084 | (1,683,084) | - | **-** |
| **Total restricted funds** | **151,423** | **1,746,605** | **(1,722,155)** | **(49,457)** | **126,416** |
| **Total funds** | **9,995,517** | **9,256,885** | **(5,514,468)** | **-** | **13,737,934** |

### Purposes of restricted funds

Patient services are funds received to support the delivery of our services.

Long House represents funds received for the running costs of The Long House outreach centre in Holsworthy.

Other capital funds are funds received for specific capital projects.

### Purposes of designated funds

Buildings and asset reserve is to match the net book value of hospice assets at Deer Park, Westcombe Lane, and at the Long House which cannot be used without being sold.

Risk based reserve is to cover the financial impact of the main risks to the charity.

Income Diversification reserve, it is anticipated that these funds will be invested in the next 12 months on a project which will see an additional regular sustainable income stream on an annual basis.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2021

### 27. Statement of funds (*continued*)

H2H Service Provision provides hands on nursing care to patients in their own homes with complex healthcare conditions, the teams focus being to keep patients at home and avoid unnecessary hospital admissions. Recognising the huge importance of the vital service, trustees have set aside funds to ensure that a minimum level of service can be provided over the next 5 years.

Strategy 2021-2026: Service Provision and Organisational Development – further funds of £870k have been designated this year, to bring the fund to a total of £1.995 million. Due to COVID the launch of the new strategy was delayed over the last year. This fund will support further enhancements to our model of care and develop, over a 5 year period, further services to enhance the support to our patients and their families. We wish to be even more responsive to their changing needs and ensure that we have the staff in place with the appropriate skills to support this.

Strategy 2021-2026: Digital Development and Innovation - this fund has been reduced by £184k to a total of £317k. The fund will support the digital and innovation part of our strategy. Including initiatives such as digital tap and go donations, improving patient access via digital technology particularly for those in remote locations and improved education access via podcasts and webinars.

Covid-19 response – we know that the pandemic is going to continue to affect our income over the coming 12 months. Even with the governments road map part if not all of the coming year will be affected by social distancing and the ability to hold outside events. We have identified the impact that we believe this will have on our ability to raise funds through our shops and fundraising events and have set aside a fund to meet this shortfall.

Investment revaluation reserve is a fund equal to the revaluation of investments to market value at the balance sheet date, which has not been realised.

### Charity

For the purpose of section 408 of the Companies Act 2006, the net movement of funds for the Company is a surplus of £3,551,450 (2020: £1,013,327). Total funds brought forward were £9,995,517 (2020: £8,980,471). Total funds carried forward were £13,546,967 (2020: £9,993,779).

### 28. Analysis of group net assets between funds

| | General Funds £ | Designated Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|---|
| Tangible & Intangible Fixed Assets | - | 3,406,589 | - | **3,406,589** |
| Investments | - | 5,644,574 | - | **5,644,574** |
| Other Assets | 534,095 | 4,026,260 | 126,416 | **4,686,771** |
| | **534,095** | **13,077,423** | **126,416** | **13,737,934** |

There are sufficient resources available, held in an appropriate form, to enable restricted and designated funds to be applied in accordance with restrictions imposed.

# 4. Financial Statements

## North Devon Hospice (Company Limited by Guarantee)
## Notes to the Accounts
## For the Year Ended 31 March 2021

### 29. Operating lease commitment

#### Group

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Less than one year | 146,798 | 148,061 |
| One to five years | 165,596 | 227,084 |
| Over five years | 338,750 | 338,750 |
| | 651,144 | 713,895 |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £190,351 (2020: £229,603).

#### Charity

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Less than one year | 146,798 | 148,061 |
| One to five years | 165,596 | 227,084 |
| Over five years | 338,750 | 338,750 |
| | 651,144 | 713,895 |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £190,351 (2020: £229,603).