



## **St Elizabeth Hospice (Suffolk)**

(A company limited by guarantee and  
not having share capital)

# **Annual Report and Financial Statements**

Year ended  
31 March 2021

Charity No: 289154  
Company No: 1794927

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# St Elizabeth Hospice (Suffolk)

## Reference and administrative details

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### Hon Vice President

Mr TJ Mott FRCS FRCR

### Board of Trustees

Mr I J Turner <sup>1,2,3,5</sup>	- Chairman
Mr N L Banks <sup>1,3</sup>	- Appointed 14 January 2021, Treasurer from 1 April 2021
Mr W D Barnes <sup>1,2,5</sup>	- Treasurer to 31 March 2021
Ms G Drummond <sup>4</sup>	
Ms P C Fenner <sup>4</sup>	- Appointed 7 April 2021
Dr N Gibbons <sup>4</sup>	- Resigned 24 September 2020
Mr N Hatton <sup>3</sup>	
Mrs A Hogarth <sup>2</sup>	
Mr N Hulme <sup>2,4</sup>	- Resigned 21 January 2021
Mr T D Hunt <sup>3</sup>	
Mr G Mackenzie <sup>2,4</sup>	
Dr A D J Nicholl <sup>1,2,4</sup>	
Mr M W Nicholls <sup>1,3</sup>	
Mrs A Parkinson <sup>4,5</sup>	
Miss H Davis	- Shadow Trustee, Resigned 31 December 2020
Miss L Watts	- Shadow Trustee
Member of:	
1 - Finance Committee	
2 - Governance Committee	
3 - Income Generation Committee	
4 - Patient and Family Services Committee	
5 - Remuneration Committee	

### Registered office

565 Foxhall Road, Ipswich, IP3 8LX

### Registered Charity number

289154

### Company number

1794927

### Auditor

RSM UK Audit LLP, Blenheim House, Newmarket Road, Bury St Edmunds, Suffolk IP33 3SB

### Solicitors

Prettys, 25 Elm Street, Ipswich, Suffolk, IP1 2AD

Birketts, Providence House, 141-145 Princes St, Ipswich IP1 1QJ

### Bankers

Royal Bank of Scotland PLC, Princes Street, Ipswich, Suffolk, IP1 1QT

### Investment advisers

Sarasin & Partners, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

### Principal officers

Mr M Watkins <sup>1,2,3,4,5</sup>	- Chief Executive (to 31 December 2020)
Dr K Bengtson <sup>4</sup>	- Medical Director
Mrs V K Jolly <sup>4</sup>	- Director of Patient Services
Mrs H Bloom <sup>3</sup>	- Director of Income Generation
Mrs J Newman <sup>1,2,3,4,5</sup>	- Development Director (to 17 May 2021)
	- Chief Executive (from 17 May 2021)
Mrs S Conner <sup>2,5</sup>	- Director of Corporate Services
Mrs A Sargeant <sup>1,2,3</sup>	- Director of Finance (to 26 February 2021)
Mr J Hennessey <sup>1,2,3</sup>	- Director of Finance (from 1 April 2021)

## Chairman's report

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As Chair of the Board of Trustees, I am conscious that the period covered by these financial statements represent a very unusual year for everyone both personally and professionally. Firstly, I must pay tribute to the staff and volunteers of St Elizabeth Hospice who continued to provide such compassionate, selfless care to the communities of Ipswich, East Suffolk, Great Yarmouth and Waveney throughout the challenges of COVID-19, delivering individual support and professional care in equal measures often as frontline providers of healthcare during the pandemic. The Hospice is however a charity and without the resilience, fortitude and lateral thinking of our fundraising and non-clinical teams of staff and volunteers, the financial position would undoubtedly now look very different.

As the financial statements will attest, there have been extreme variances to consider during the period, with the unavoidable closure of all 31 retail stores and cancellation of most fundraising events for the majority of the year. These losses of income were coupled with some very generous legacy bequests and significant support to the UK hospice movement from the Treasury to ensure that vital palliative and end of life services could continue at the very time they were needed most. The financial year started in the first lockdown and once again, the community we serve responded with heroic generosity to our #HereTogether campaign at a time when the year ahead was full of stark forecasts and unknown futures. I am pleased to report that the year has ended with a stable position, remaining vigilant for the likely challenges for retail, fundraising and an expectation of increasing demand for our services yet to come.

As reported in the last Annual Accounts, we were commissioned to deliver a Palliative and End of Life Co-ordination Hub to support the increasing demand for care within people's homes as a result of the pandemic. This vital service helps to alleviate pressure on hospital admissions and delivers care on "virtual wards" at home. In addition, we continued to provide care in the 18 beds of the In-Patient Unit at Foxhall Road in Ipswich, with the ability to increase capacity if needed to a temporary additional 6 beds that were established in clinic rooms that would normally be reserved for outpatients. Demand through our OneCall telephone advice line increased to almost 50,000 calls received and made to patients, health professionals and family members who needed specialist support from our Clinical Nurse Specialists, medical team and Emotional Wellbeing Services, including bereavement support.

Through our partnership with East Coast Community Healthcare (ECCH), we continued to provide specialist palliative care to 6 beds in Beccles Hospital, in-reach consultant support to the James Paget Hospital and community nursing throughout Great Yarmouth and Waveney. Through the generosity of local residents, we have been able to grow hospice services in the area, and almost 3,000 patients and their families in the Great Yarmouth and Waveney area have now been supported since the partnership began in 2019. The Hospice remains focused and committed to continue to grow services in this area.

The Senior Leadership Team must all be thanked for their experience and diligence during these extraordinary times. The team has seen two changes in the past 12 months, with Chief Executive Mark (Ru) Watkins and Finance Director Amanda Sargeant leaving us. Ru's military training was invaluable during the early days of the pandemic in establishing the Hub and in preparing the organisation for the unknown and unexpected. Amanda's attention to financial detail, and prudent forecasting, was greatly valued. Following these changes, we are pleased to have appointed Judi Newman as the new Chief Executive Officer and welcome John Hennessey to the Hospice as our new Finance Director.

During the period, we also said farewell to two Trustees who have both added great value to the Board during their respective terms of office. Dr Nigel Gibbons has served as a Trustee since 2007 and his experience as a GP brought a much appreciated perspective to our discussions for 13 years, for which we are most grateful. After a shorter but much valued tenure since 2019, Nick Hulme also left the Board of Trustees due to the understandable pressures on his time during the pandemic as the Chief Executive of East Suffolk and North-East Essex Foundation Trust (ESNEFT). We thank Nick for his contribution and input during an extraordinary period and we wish him and his colleagues at Ipswich and Colchester Hospitals the very best wishes as COVID-19 continues to challenge our communities and NHS friends. I would like to thank all the Trustees for their time and commitment in seeing through the challenges of this last year.

Despite the restrictions necessarily imposed during lockdown, I am pleased to report that the Hospice Board were able to renew both our strategy and our governance framework. These important pieces of work incorporate important learnings from the immediate past. I would like to thank Liz Moloney who was seconded on to our leadership team from the CCG to assist with this project. Copies of the documents may be obtained upon request from the Hospice. The Board remains committed to the well-being, equality and diversity of staff and volunteers. In this regard I am pleased to report that the revised governance framework includes the formation of a new People and Culture sub-committee.

As we look towards the coming year, we continue to remain hugely grateful to the communities we serve for their support and encouragement. In return, we are determined to continue to listen to the needs of patients and families, removing barriers to accessing to our services and ensuring that, as we increase the investment of our resources, as many people as possible can receive the compassionate and professional care that all deserve when needed most.

Ian Turner  
Chair



**Our core purpose is to improve life for people living with a progressive illness.**

The strategy employed to achieve the charity's aims and objectives is to provide a range of palliative care services and support free to those in need. These services are provided in a number of different settings including an in-patient unit, day units and in patients' own homes by dedicated and skilled staff.

The charity offers a range of services and employs appropriate staff to meet the needs of patients and their families as well as benefitting from the support of over 1,700 volunteers. These services include medical, nursing, spiritual, well-being services including family support, art and music therapy, counselling, physiotherapy, occupational therapy and complementary therapy and bereavement counselling.

Feedback through audits and surveys continues to demonstrate a high level of satisfaction. Where complaints or incidents do occur we use these experiences to learn lessons that improve quality of care. The charity is registered with the Care Quality Commission and received an assessment of "Outstanding" at the last inspection in October 2016. The Hospice did not identify any serious untoward incidents (SUI) as defined by the NHS during the year. Equally, there were no areas of concern which the Patient and Family Services Committee felt merited escalation to the Board of Trustees.

**Public benefit statement**

The Trustees confirm that they have complied with their duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit 'Charities and Public Benefit'.

St Elizabeth Hospice's charitable purpose is enshrined in its objects - "to promote the relief of persons of either sex (without regard to race or creed) who are suffering from any chronic or terminal illness or from any disability or disease attributable to old age or from any other physical or mental infirmity, disability or disease and of the families of such persons". The trustees ensure that this purpose is carried out for the public benefit by delivering a range of services to the people in the area free at the point of delivery. Access to these services is based solely on assessed need. The charity offers specialist medical, physical, emotional, spiritual and practical support to people with life limiting conditions and their families.

### Strategic Report

The Trustees present their strategic report for the year ended 31 March 2021, containing a review of achievements and performance, a financial review, plans for future periods and the principal risks they consider the Charity and Group face.

### Achievements and performance

The twelve months covered by this set of accounts have been extremely challenging for the charity due to the COVID-19 pandemic, both in terms of our service response and the fundraising landscape. As a member of the Ipswich and East Suffolk Alliance, St Elizabeth Hospice has played its full part in responding to the pandemic which included a series of urgent steps in March/April 2020 to support our community. This included setting up a contingency ward to provide more end-of-life beds when our local NHS was under acute pressure, increasing community activity to cut hospital admissions and creating the Palliative and End of Life Coordination Hub made up of a team of nurses, doctors and administrators to coordinate end of life care in the community, providing 24/7 telephone advice and support to district nurses, GPs and other partners, creating virtual wards across the community which allowed individuals to have hospital standard care while still at home, and mobilising over 70 logistics volunteers to service the hub and the community nursing team with delivery of personal protective equipment (PPE) and specialist equipment. Setting up these services very quickly while at the same time struggling with the effects of the early days of the pandemic represented an extraordinary achievement by our teams.

We commend the dedication and commitment of all staff and volunteers who responded to the pandemic situation with compassionate selflessness and the utmost professionalism throughout the year, and thank all our supporters who continued to recognise the value of the Hospice's contribution to our shared community.

Bereavement services were extended to cover all those in the community affected by the loss of a loved one (not just hospice families) and a new LivingGrief brand was established to highlight the bereavement support available to the wider population. In addition, we raised awareness of the availability of our 565 bereavement support for children and young people, with dedicated age appropriate resources and counselling.

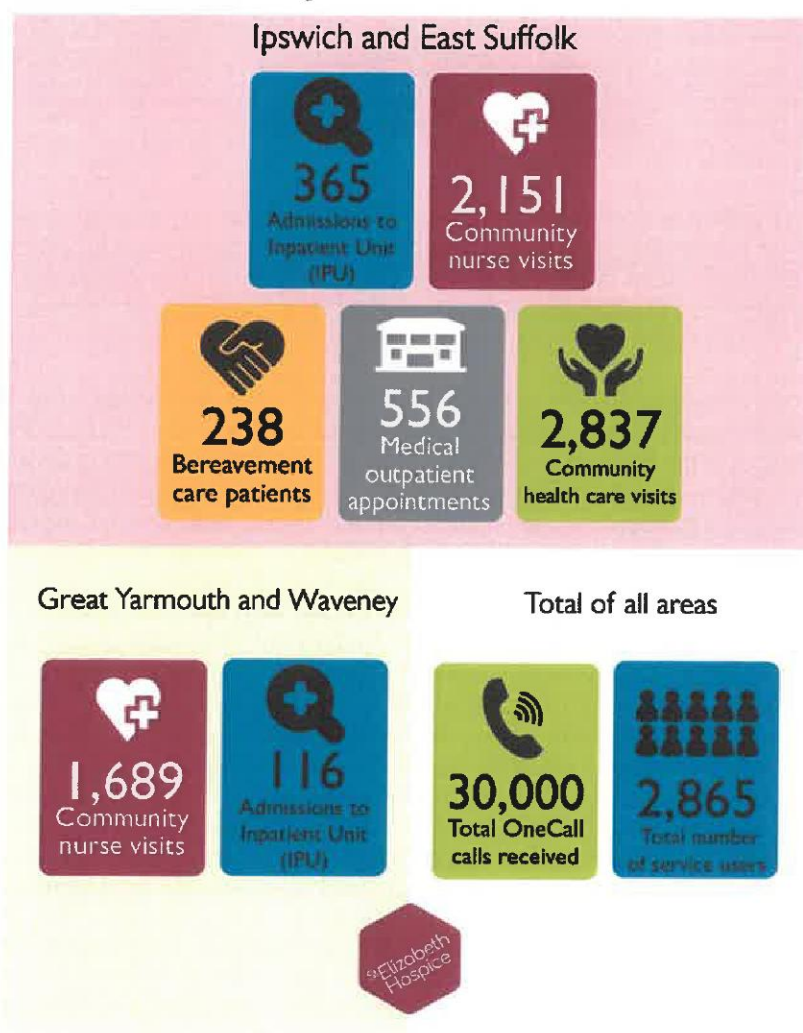
At the turn of the financial year in March 2020, we had to suspend day care services at the Hospice in line with Government guidance, and directed care required through our OneCall telephone advice line and with visits at home from the Community Team as required.

The national lockdown also meant the closure of all our retail stores and the postponement or cancellation of all our in-person fundraising events in the community. For retail alone, this resulted in a £2.7m drop in income against our original budget for the year. In mitigation, we launched a #HereTogether fundraising appeal, applied for relevant government grants to fund job continuation and offset retail losses, and embarked on an efficiency programme to ensure that we were managing the charity within our forecast means. In the second half of the financial year, we began to receive additional, unexpected, but very welcome NHS England funding via Hospice UK which had been ring-fenced by Chancellor Rishi Sunak for the sustainability of hospice services. Coupled with some extremely generous legacy bequests in the later months of the financial year, the charity has been fortunate to end the financial year with a surplus that has rebuilt our resources after the four previous years when an income deficit was reported. Legacies increased from £1.5m to £2.4m last year, an increase of £900k, which will allow patient care services to increase in future years. Legacy income is notoriously difficult to predict from year to year and we are extremely grateful to the community we serve for their generous legacy pledges that enables us to continue providing vital hospice care both today and into the future.

Despite all the challenges of the year, the total number of people benefiting from our services during this year remained close to 3,000 people - a total of 2,865 across Ipswich, East Suffolk, Great Yarmouth and Waveney. There was an increase of over 5% spent on patient care across our services. We continue to work closely with our partners to respond to the needs of our community, and are grateful for the involvement of the Hospice's Partnership Group who have continued to demonstrate their support and commitment including wider involvement from volunteers and patients in our service design despite the challenges of the pandemic limiting in-person meetings. Our management teams have had co-production training from Healthwatch Suffolk this year, to ensure we continue to learn best practice on how best to involve service users in the design of our services, including seeking the input of those who may benefit from our services and yet are not currently accessing them. We want to better understand and remove those possible barriers to access.

Following the pilot reported in the previous accounts, the Zest Ambition programme currently supports 38 young adults affected by life limiting conditions. We were also able to support their families. This group of patients would otherwise struggle to get the appropriate support for their very particular needs. During the pandemic these families were supported virtually, with telephone advice and guidance from the Zest team. We were able to deliver short breaks (respite weekends with specialist care) from July to November 2020 when the pandemic allowed, with 12 young adults and their families benefitting from this provision. This included both returning young adults and a number of new referrals keen to access the service following the success of the previous pilot phase. Many families had been providing all their own care during the lockdowns meaning that the Zest short break service was ever more vital for parent/carer respite and a break for the young adults from home. This brings the total to 20 young adults that have accessed the Zest short break service with 18 having had overnight short breaks, plus two young adults choosing to access day short breaks.

## Service performance data





We continue to deliver Specialist Palliative Care services to the community of Great Yarmouth and Waveney through our partnership with ECCH, via six specialist beds in Beccles Hospital, in-reach support to the James Paget Hospital, a community service of specialist palliative care, a counselling service and access to our 24/7 OneCall advice line. In line with Government guidance, we had to pause the Day Care service at Beccles Hospital due to COVID-19 but we remain keen to re-start this provision as soon as safety guidance allows. As we enter the third year of our partnership with ECCH, we are pleased to note the University of Suffolk has been commissioned to carry out an evaluation of the service as the model is being recognised as a highly

effective way of delivering much needed specialist palliative care into the area. Families whose loved ones have benefitted from the service have started to fundraise for the service, which strengthens our ability to expand our provision of services. We would like to record our thanks to ECCH for their positive partnership working, which has enabled the communities of Great Yarmouth and Waveney to benefit from the delivery of much needed Hospice Specialist Palliative Care services.

Recognising the strength of collaboration, partnership working is now a vital part of how health and social care is delivered and the pandemic gave the Hospice a unique opportunity to further strengthen our relationships with both the Suffolk and North East Essex Integrated Care System and the Ipswich and East Suffolk Clinical Commissioning Group (CCG). During the preparation of our new Strategy, extensive stakeholder engagement was carried out with statutory partners, other voluntary sector organisations including other hospices, key influencers and stakeholders in our region, patients, staff and volunteers.

In line with our new Strategy, this year has seen St Elizabeth Hospice become more involved with the Compassionate Communities movement which was pioneered by Professor Allan Kellehear and Dr Julian Abel. The Compassionate Communities philosophy seeks to encourage anchor institutions (such as – but not exclusively – hospices) to help equip communities to better support each other through the experiences of dying, death and grief. It is a non-medical public health approach which seeks to build cultural confidence as a society in talking about death and bereavement, and we have been fortunate to benefit from the advice of Dr Guy Peryer from the University of East Anglia in how best to encourage citizen-led communities of practice in Ipswich, Felixstowe and Halesworth to take this work forward. We gratefully acknowledge the funding support of the Ipswich and East Suffolk Clinical CCG and the Norfolk and Waveney CCG for this project, which has included Compassionate Cafes, Compassionate Conversations training and a collaboration for Dying Matters Week with Compassionate Communities East and our local neighbouring hospices.

Despite traditional fundraising and retail activities being significantly curtailed during the year, resulting in 75 Retail staff and six Income Generation staff being furloughed and the retail stores being closed for 42 weeks, the Income Generation and Retails teams made valiant efforts to maximise online fundraising opportunities including an increase in ecommerce, online quizzes and challenges. We also salute the members of our community for their creativity in socially distanced fundraising, including a 200 mile horse trek from Woodbridge to Holkham. The support that the community generously offered the Hospice during the pandemic – with donations of funds, food, toiletries and volunteering commitment – was enormously appreciated by all involved with St Elizabeth Hospice, and stands as a testament to the affection and recognition of the Hospice's role within our wider community.



Acknowledging that we needed to increase the awareness of hospice services to a wider and more diverse population, we employed a dedicated press officer to concentrate on a consistent and multi-channelled awareness campaign of hospice services, stories and geographical reach. This resulted in a significant increase in coverage across all channels:

**Total pieces of coverage – 682**

Print – 248

Online – 325

TV - 6

Radio – 103

In particular, we embarked on a campaign with the Waveney-based agency Spring to raise awareness of our Specialist Palliative Care services in Great Yarmouth and Waveney. This is to ensure that residents and health professionals are aware of the ability to refer into the service. Using targeted social media, we were able to reach the right demographics of audience and we saw the impact of the campaign translate into an increase in calls from the area to our OneCall service.

The Hospice education team continued to support the delivery of high-quality patient and family care through the provision of an ambitious organisation-wide programme of learning and development for all staff and volunteers, meeting the needs of the hospice, other providers and individuals while, supporting local and national strategies. Despite the pandemic, this team has worked with the Ipswich and East Suffolk CCG to provide online end-of-life training for a wide range of NHS staff including social prescribers, district nursing staff, CQC inspectors, physiotherapist and care home staff in East Suffolk (covering all eight integrated neighbourhood teams). These sessions have enabled 169 people to gain knowledge around difficult conversations and advance care planning as well as providing an opportunity to network and ask questions.

The Education team also supported the CCG GP event on 10 February with the author Kathryn Mannix as guest speaker and with 245 people in attendance online. In the first quarter of 2021, masterclasses were delivered to external and internal staff and partners within the East Suffolk and Great Yarmouth and Waveney areas of Suffolk. Although unable to physically visit the 10 accredited care homes, the education department kept the programme going by keeping in touch through phone calls and newsletters. Working closely with the Hospice's Emotional Wellbeing Team, we offered bereavement, wellbeing and resilience support for staff in the care homes throughout the pandemic.

Following the departure of Chief Executive Ru Watkins in December 2020, the Board asked the Senior Leadership Team to temporarily lead the Hospice as a collective leadership team which continued successfully until the appointment of Judi Newman as the new CEO in May 2021. The Board record their thanks to Ru for his time with St Elizabeth Hospice, in particular bringing his military planning experience to the fore during the preparations of the COVID-19 pandemic response.

In February 2021, the Department of Health and Social Care published the White Paper "Integration and innovation: working together to improve health and social care for all" which sets out legislative proposal for a Health and Care Bill, which passed through its two readings in the House of Commons in July 2021. At the core of the White Paper is the proposal to establish integrated care systems (ICSs) as statutory bodies in all parts of England, with each ICS having two parts: an ICS NHS Body and an ICS Partnership. As St Elizabeth Hospice is already an active member of the Suffolk and North East Essex ICS, the Board and Senior Leadership Team welcome the further consolidation of integrated care and the role of the voluntary sector, including hospices, as partners in the health and wellbeing of our communities.

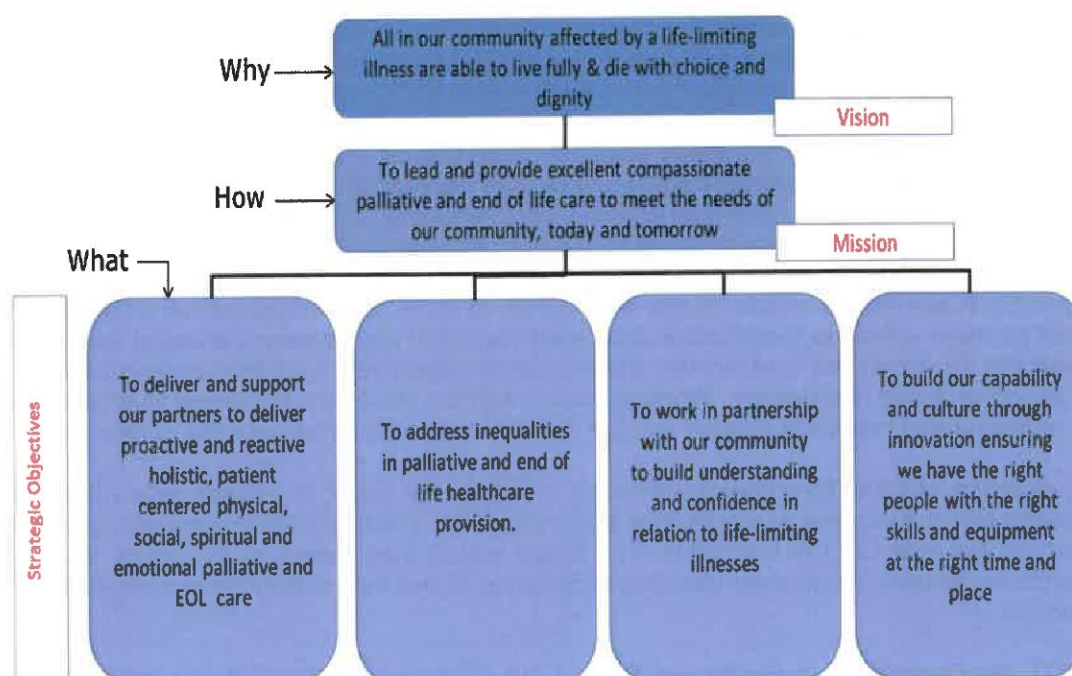
The Hospice has operated a Care Agency subsidiary since 2014. The Care Agency generated a surplus of £80,000 in 2020/21, up from £32,000 in the previous year. The planned operating losses in the initial years of the Care Agency have now been fully offset by the most recent profitable years, with the Care Agency profits now contributing to the operating costs of the Hospice. The Hospice management is optimistic that the financial contribution from the Care Agency will continue to grow and provide increasing support to the finances of the Hospice.



## Objectives for the coming year

The strategic objectives set in our new Strategy for the three years to 2024 have stood us in good stead against the uncertainties of this financial year. The commitment to addressing health inequalities, the strategic principle of co-production, the building of cultural confidence in talking about death and dying and, vitally, the importance of co-ordinated care with our partners have all been crucial themes during the response to the pandemic. The objectives continue to guide our Business Plan activities, with clear accountability and Board reporting from the leadership team.

Across all parts of the charity, the Business Plan reflects the ambition of the organisation to be in the best possible shape to be a sustainable force for good for the generations ahead of us. This means considering a more flexible approach to team working, increasing collaboration with others, both internally and externally, and a willingness to adopt digital innovations to streamline and improve the way we work. We know that the care provided at the Hospice is exemplary both in the in-patient beds in Ipswich and in Beccles Hospital, and across our community teams, but we want to ensure that the availability of our services is known, trusted and accessible to all within our community



Within our first strategic objective, which covers our commitment to holistic and coordinated care, there are a number of initiatives for the year ahead which will consolidate partnership working within the wider Integrated Care Systems (ICSs), particularly in relation to the Palliative and End of Life Coordination Hub. Initially financed as part of the COVID-19 response, we have confirmation that the Hub will be funded by the Ipswich and East Suffolk CCG for a further year which will be invaluable to demonstrate and evidence the outcomes and benefits delivered to patients, families and our partners in health and social care. Families regularly report their appreciation of the virtual ward model within the community, so a priority this year will be to capture and document the positive outcomes both for families and system partners including the avoidance of hospital admissions and achieving patients' preferred place of death. As Government restrictions ease, we will re-open day care and outpatient services within the new Community Care Unit, and re-introduce the in-person support for Zest young adults.

Electronic prescribing is being assessed, and we are working with our partners to aim for the implementation of an EPaCCS template (Electronic Palliative Care Co-ordination Systems) for a more co-ordinated approach to patients' end of life and palliative care preferences. This is currently being piloted in West Suffolk and we look forward to the rollout in due course, which will incorporate the introduction of an electronic version of the patient wishes ReSPECT form (Recommended Summary Plan for Emergency Treatment and Care) which is set to replace the previous and more brief DNACPR form (Do Not Attempt CPR/resuscitation). The introduction of these electronic systems should result in a more streamlined experience for patients and families, avoiding the need to repeat information to multiple professionals whilst maximizing the opportunities for patients' wishes to be recorded and recognised during their care.



The second strategic objective focuses on the Hospice's commitment to reducing health inequalities, identifying the potential barriers to accessing our services and ensuring that we understand and mitigate how best to remove those barriers. The health inequalities range from lack of parity across geographic regions (hence our work in Great Yarmouth and Waveney in partnership with ECCH), age demographics (resulting in the Zest programme for young adults) and also the under-representation of multi-ethnic individuals amongst both our patient community but also within our workforce and volunteers. We are committed to our strategic intent to further embed co-production into our service design models, and are playing an active role in the Ipswich and East Suffolk Alliance's Equality and Inclusion workstream.

At the heart of our third strategic objective is Compassionate Communities and our commitment to building cultural confidence in how to talk about death and dying as a society. During COVID-19, our communities saw an outpouring of volunteer support for food parcels, vaccination centres and logistical volunteering but there is less confidence within our society about finding the right words to support our networks, friends and families through the diagnosis of a life-limiting condition or a bereavement. We have a funding extension to continue Compassionate Conversations training, and we are going to initiate a Compassionate Citizens training programme for Further Education students studying health and social care courses. In addition, we are launching a Community Volunteer programme to provide non-medical support to households who are currently receiving clinical care from St Elizabeth Hospice.

Our fourth strategic objective is dedicated to ensuring we have the right people in the right place with the right resources. Data remains a priority to ensure we have the confidence to embark on population health methodologies to deliver improvements in health and wellbeing, as well as being able to report back the impact and outcomes achieved from the care delivered. Internal digital integrations are being introduced to streamline our internal processes and we will endeavour to find the right balance of hybrid working and estates planning for non-clinical staff and volunteers as the COVID-19 restrictions begin to ease.

Cutting across all four strategic objectives are some priority themes which the Board and the Senior Leadership Team wish to focus on for the year ahead. Building on the new Strategy and Business Plan, we wish to revisit our values to ensure that the values and culture of the organisation reflect the ambitions and tone of the new Strategy. This work will be supported by a new People and Culture sub-committee and is an inclusive programme to encourage participation.

As we enter the third year of our partnership with ECCH in Great Yarmouth and Waveney, we will work together to ensure that we are maximising the potential for our collaboration and seek new opportunities to expand Specialist Palliative Care services in the area in response to the need and positive engagement with the community. Local fundraising has now allowed a new post to be recruited to boost the Community Team's ability to deliver more care.

Following the pandemic, we are conscious of the increased need for bereavement services and we are endeavouring to raise awareness of the LivingGrief support that is available as well as developing new resources of support, such as a new programme of LivingGrief podcasts. The Emotional Wellbeing Team are keen to remain engaged with local schools, recognising the prevalence of grief for many local families over the past year, often without the usual natural networks of support that would accompany a bereavement with increased isolation and limited funeral arrangements.

Following the success of the Zest short break pilot ending in March 2020 we have been successful in securing a statutory funding stream to support our enhanced Zest services, including short breaks and a new initiative called Zest days (as dedicated day service for young adults with complex palliative care needs) which will start in July 2021. Young adults and their families can now choose Zest short breaks and Zest days as part of their care and support plans, using their personal budgets to fund their Zest provision. This progress enables Zest families' choice and helps to ensure the current Zest service and the ambition to be regional provider to be sustainably developed.

The Education team is liaising closely with other local partners to explore collaborative ways of working, with the aim of improving and streamlining the provision of specialist palliative care education and training within our integrated care system. The Hospice is pleased to note the launch of the University of Suffolk's Integrated Care Academy and will continue to work closely with the university to enhance the palliative care content within their nursing modules.

For the Income Generation team, 2022 plans will include a return of Wild in Art, with a third art trail planned for Ipswich to follow the success of the previous "Pigs Go Wild" in 2016 and "Elmer's Big Parade" in 2019. The art trail will be "The Big Hoot", with 39 corporate sponsors already lined up to sponsor the giant owl sculptures. It is a highly popular event that is well supported by both Suffolk County Council, Ipswich Borough Council and Archant, providing the town with a considerable economic boost by promoting footfall and extra spend in the town. In 2019, it was estimated the Elmer trail generated an economic boost of £2.4m to Ipswich. A similar result in 2022 would be a very welcome outcome after the high street challenges of 2020/21.

There is a new Retail Strategy which both restores momentum after the disruption of 2020/21 but also seeks new opportunities for innovation and e-commerce. The team recognise the community importance of the 31 retail stores across our region and the Marketing team are working closely with Retail colleagues to ensure that we optimise the shops' presence in our towns and villages to raise awareness of hospice services as well as volunteering and fundraising opportunities. We have recently purchased the Tall Orders café in Stowmarket (the next door neighbour of the St Elizabeth Hospice store) and are confident that it will enjoy the same success as the Heath Road community hub café in Ipswich, both providing a popular way to support both the Hospice and the community.

In summary, as a frontline healthcare charity, the pandemic may have taken its toll on everyone in different ways, some personally and some professionally, but as an organisation, our teams have demonstrated the highest standards of professionalism and dedication to the continuation of care when needed more than ever. We record our gratitude and pledge our combined determination to reflect, learn the lessons of the pandemic and ensure that we move forwards with positivity, ambition for the future and humility for what our community has endured this year.

# St Elizabeth Hospice (Suffolk)

## Trustees' report (continued)

### Financial Review

	Income £000	Expenditure £000	Contribution £000	2020 £000
The cost of delivering the Hospice's services was		7,883	(7,883)	(7,423)
This cost is funded by the following sources:				
Grants	7,335	-	7,335	3,567
Fundraising	1793	928	865	1,060
Legacies	2,405		2,405	1,581
Lottery	477	194	283	296
Trading	1,771	2,230	(459)	428
Investment income	206	36	170	199
Gains / (losses) in the value of investments	965	-	965	(162)
Other Income	895	1,325		430
Total contribution	15,847	4,713	11,134	7,399
Net surplus / (loss)			3,251	(24)

In the accounts for the year ended 31 March 2020 the charity reported on the emergence of the Coronavirus pandemic, not realising that at the end of the next financial year the country would still be in lockdown, shops would not be open and patient visits would only be possible with full PPE. The impact on funding has been huge. The principal changes were:

#### Retail

Under the Government's lockdown starting from March 2020 the Trustees closed all of the charity's retail shops. During the financial year the Hospice received £635,000 under the Government's Coronavirus Job Retention Scheme (this includes £21,000 received for the St Elizabeth Care Agency). In addition the Hospice received a further £260,000 in Coronavirus retail grants. Staff were kept on so that the shops could open quickly once lockdown was over, so salaries, rents and other costs were still being paid. With this additional grant income, the retail business delivered a deficit of £0.9 million (£0.1 million before support costs).

#### Fundraising

The Fundraising team were unable to deliver most of the planned fundraising events due to restrictions on social contact. By the end of the year fundraising income was £0.3 million less than budget.

Realising that this was going to be a difficult year, the Trustees appealed to all contacts of the Hospice for help. As the year proceeded the financial position improved, largely because of Government funding and legacies received late in the year.

#### Grants

The Hospice received additional funding from CCG's to support the continued delivery of services.

#### Hospice UK

The National Health Service, through Hospice UK, provided grant funding to enable Hospices to continue to deliver Hospice care. Much of this funding was not confirmed until early in 2021.

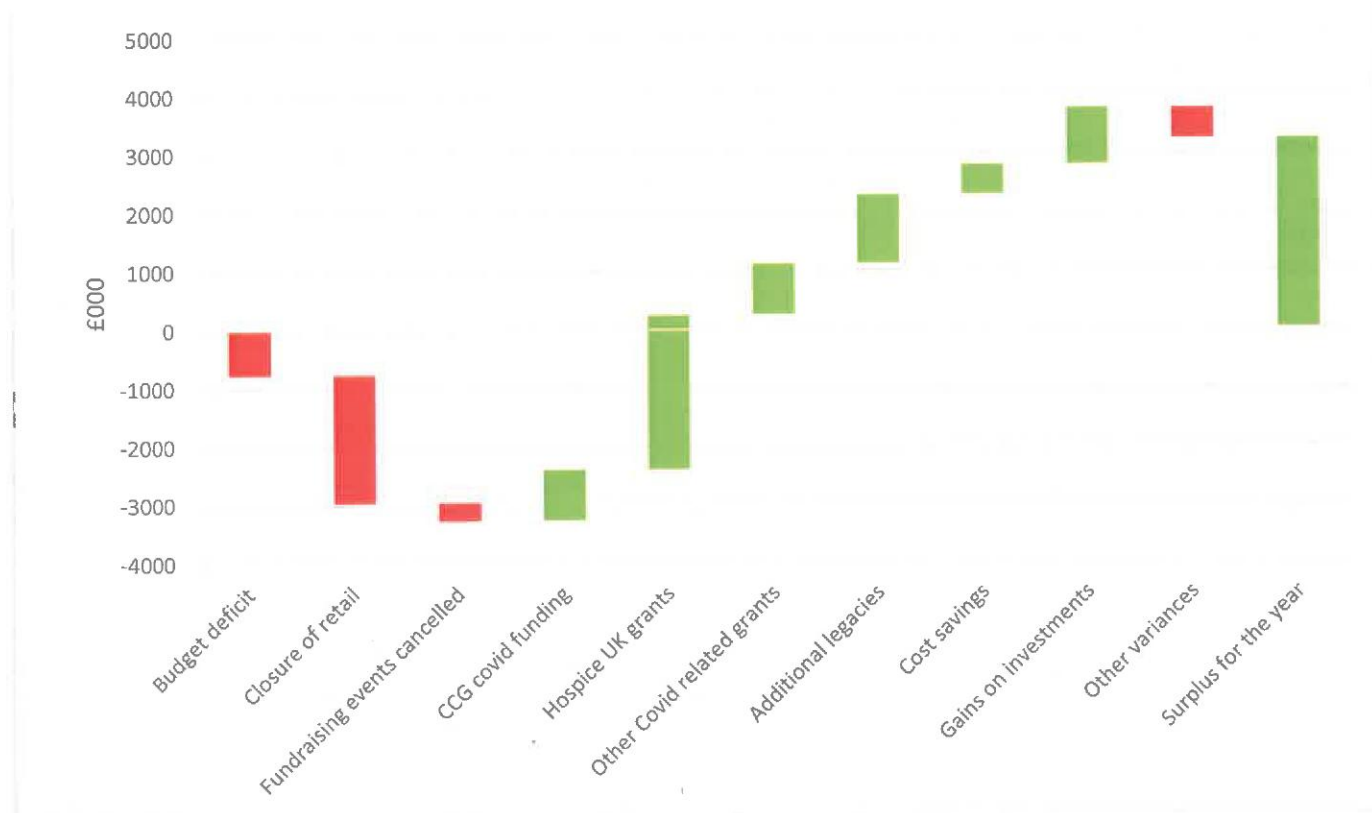
#### Legacies

In early 2021 the Hospice was notified of three legacies which added total income of £1.1 million.

#### Gains on investments

The Trustees reported in the accounts for the year ended 31 March 2020 that global markets had experienced significant falls in value during the first quarter of 2020. Since 31 March 2020 global markets have shown a strong recovery and the value of the Hospice's investment portfolio has increased by £1.0 million during the financial year.

As a result, the Hospice has ended the year in a strong position, showing a surplus of £3.2 million for the year.



### Balance Sheet

The Group's balance sheet remains strong with bank and cash balances increasing to over £4 million at the end of the year. Increases in debtors and creditors reflect accrued legacy income and income received in advance respectively.

### Legacies

We very fortunate to receive a lot of support via gifts left to the Hospice in Wills. The amount that people feel able to bequeath to the charity varies but we are always grateful to supporters who help us in this way. One in five patients who receive care from the hospice is funded from a legacy gift. This year we have received a total of £2,405,000 from gifts in Wills and we would like to acknowledge our gratitude for the generosity of:

Mr Donald Candler  
Mr Brian Cobb  
Mrs Kathleen Ditrach  
Miss Jenifer Edwards  
Mrs Margarete Fairweather  
Mrs Brenda Fenton  
Mrs Margaret Freeman  
Mrs Lucretia Helliker  
Mrs Barbara Herbert  
Mr Frank Hume

Mrs Shirley Jessup  
Mr Edward Knights  
Mrs Jessie Last  
Mrs Gabrielle Lovett  
Mrs Maisie Mayhew  
Mrs Ruth Misa  
Mr Graham Moore  
Mrs Sonja Nestor  
Mrs Kathleen Scantlebury

Mrs Jessie Seeley  
Mrs Anne Shortland-Jones  
Mrs Margaret Smith  
Miss Margaret Snare  
Ms Sheila Spencer-Gregson  
Mr Michael Steele  
Dr Annette Walton  
Mrs Valerie Warner Lacey  
Mrs Margaret Wilks



## **Reserves Policy**

The charity needs financial resources to achieve its purposes and has to plan for the longer term to ensure continuity. The Trustees regularly review the charity's reserves policy. In determining the appropriate level of reserves Trustees have regard to the following matters:

1. Forecasts of expenditure as the basis of planned activity.
2. Working capital required for the day-to-day running of the hospice.
3. Income risks including:
  - a. The reliability of the various income sources.
  - b. The prospect of developing new sources of income.
  - c. An assessment, on the best evidence available, of the likelihood of each of these varying adversely and the potential impact on the charity of not being able to deal with variations.
4. Analysis of future needs which would be unlikely to be met out of the charity's regular income.
5. Funds required to replace assets.
6. Potential loss of value of the asset form in which reserves are held.
7. The need to provide capital and revenue support to continue to develop services.

Trustees reviewed their reserves policy in 2019. In line with current thinking, they moved away from a single measure of proportion of income in favour of a more risk-based approach. The current policy requires an assessment of the reasonable foreseeable risk of income loss, of increases to current planned expenditure and allows a sum for contingency. It was also resolved that provision should be made for the risk of major unforeseeable events such as prolonged downturn in income due to recession. Such an additional reserve maximises the potential for the Hospice to continue to maintain vital services to our community despite such occurrences.

The calculations indicate direct income risk of £2,337,000 and an expenditure risk of £655,000. Trustees determined to add a further £1,000,000 contingency and to double the income risk for unexpected external events as amply evidenced by the events of 2020/21. This indicates a total target reserve of around £6,329,000.

During the year the Trustees reviewed the future needs of the Hospice and decided to add four designated reserves for future risks or events.

	<b>£000</b>
<b>Legacies deferral</b>	
Trustees have agreed to spread recognition of larger legacies over four financial years for financial planning purposes, so that the volatile nature of legacies income can be smoothed. Based on three legacies notified in 2020/21, there will be £1.012 million deferred for release in the next 3 years	1,012
<b>Building refurbishment</b>	
Provision for office refurbishments to allow for updating of the parts of the Hospice most in need of updating and to create some flexible space to accommodate more modern methods of working.	500
<b>Patient Services Projects</b>	
Provision for investing into growing future patient services where statutory funding is not available.	1,000
<b>Retail lockdown</b>	
This reserve makes provision for the risk of a further lockdown with the need again to close Retail, followed by a gradual return to normal trading volumes.	550
<b>Young Adult Pilot</b>	
Amount remaining from existing reserve for investment in Young Adult services	65
<b>Total Designated Funds</b>	<b>3,127</b>

At 31 March 2021 the Group's reserves were as follows.

	2021 £000	2020 £000
<b>Restricted Funds</b>	<b>253</b>	<b>81</b>
<b>Designated Funds</b>		
Fixed Asset Fund	5,870	6,137
Legacies deferral	1,012	-
Patient services fund	1,000	-
Retail lockdown	550	-
Building refurbishment fund	500	-
Service Development Fund	65	65
<b>Total Designated Funds</b>	<b>8,997</b>	<b>6,202</b>
<b>General fund</b>	<b>7,195</b>	<b>6,910</b>

The Fixed Assets fund represents the value of Fixed Assets on the balance sheet.

The balance of the General Fund (unrestricted) is £7,194,851 slightly in excess of the target reserves figure above. Trustees have approved a budgeted operating deficit of £665k for the year ending 31 March 2022. As expenditure is anticipated to exceed income in the year, largely due to the time taken for Retail to fully recover following beginning to re-open in April 2021.

Trustees recognise the crucial importance of the Hospice's services to our communities. The amounts held in reserves referred to above, combined with the committed grant income from Ipswich & East Suffolk CCG, and from East Coast Community Healthcare in relation to services in Great Yarmouth and Waveney, and other sources of income from these areas give the Trustees confidence as to the capacity to assure the continuity of service provision to both communities over the coming years.

### **Investment Policy**

The overall objective of the charity's investment policy is to create sufficient income and capital growth to enable the charity to carry out its purposes consistently year by year. This objective is achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a Recognised Investment Exchange and unit trusts and OEICs (open ended investment companies) which are authorised under the Financial Services and Markets Act 2000. The charity's investments are managed by Sarasin & Partners, specialists in charity investment. The Finance Committee meets regularly with Sarasin & Partners to review and discuss investment policy and performance against agreed benchmarks.

The portfolio was invested mainly in UK and overseas equities, fixed interest securities, specialised charity equity funds, unit trusts and cash deposits. The target portfolio asset allocation is along the following lines:

Equities	70%
Fixed interest / cash	18%
Property / other	12%

The charity also holds cash deposits to cover short term working capital and expenditure requirements. Trustees endeavour to exclude exposure to any investments in companies that draw a major part of their income from tobacco or related products.



#### Fundraising policies

St Elizabeth Hospice has signed up to the Fundraising Regulator and complies with its voluntary regulation scheme. We are entitled to display the Fundraising Regulator badge on our website and all fundraising resources which will give confidence to our supporters that we comply with best fundraising practices. Our lottery members also will have confidence that we are members of the Gambling Commission, Gamble Aware and the Lotteries Council.

We take pride in keeping all fundraising activities in house. Although we use high quality partners to help deliver a wide range of events and giving opportunities, all fundraising aspects are undertaken by our own staff. We do not outsource any fundraising. This direct control enables us to ensure a high quality and ethical approach and ensure vulnerable people are protected in line with industry best practice as set out in the regulatory scheme.

No complaints have been logged regarding our fundraising activities and we are not aware of any failures against the scheme standards.

St Elizabeth Hospice takes the protection of individuals' information seriously. It is committed to ensuring that it complies with principles of good practice within UK General Data Protection Regulation (UK GDPR). We only obtain personal information with the individuals consent and will only use it in a fair and lawful way to further the objects of the charity. We store personal details securely and will only use them to provide the individual with the service that they have requested and communicate with them in the way or ways that they have agreed to. Individuals data may also be used for analysis purposes, to help us to provide the best service possible. We will only allow information to be used by suppliers working on our behalf and we'll only share it if required to do so by law. We do not share data with third parties.

#### Going concern

Trustees have reviewed the financial forecasting model for the next five years and found that the Hospice will be able to sustain its activities for the foreseeable future. As well as reviewing the model, which is based on the budget for the year ending 31 March 2022, the Trustees reviewed sensitivity scenarios which considered the following.

- Failure to restore turnover in retail shops to the level achieved before the pandemic;
- Failure to meet fundraising targets;
- Failure to achieve planned cost reduction targets.

In each case it was found that the Hospice would remain sustainable for the five year period. Finally Trustees reviewed a "perfect storm" scenario of all three of the above happening at the same time and found that the Hospice would remain solvent for at least two years during which time plans could be made to resolve the position.

There are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern. Trustees therefore have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Remuneration policy

In order to achieve its objectives, the charity needs to employ people with the necessary skills and experience across the whole organisation. To that end, it offers a level of pay reflecting individual performance and responsibilities to attract and retain appropriately trained and skilled staff. The pay structure and levels of pay are reviewed by the Remuneration Committee (which comprises the Chairman and three Trustees) and is validated objectively against market comparators including salary survey data and guidance from professional advisors as appropriate. Particularly reference is made to NHS pay scales for clinical and medical staff. The pay framework sets out pay bands and is available to all staff. The charity operates an annual salary review with increases awarded for individual performance. The charity does not operate a bonus scheme.

Pay for the senior management team is managed through the same process. The number of staff in receipt of £60,000 and above is shown (in bands of £10,000) in note 3 to the accounts. The pension provisions for the Chief Executive Officer and the Senior Leadership Team are on the same terms as other employees.

All trustees give their time freely and are unremunerated.

### Principal risks and uncertainties

Trustees have a Board Assurance Framework in place to support the risk management strategy which comprises:

- maintaining risk registers that cover all parts of the organisation,
- an annual review of the risks the charity may face,
- the establishment of systems and procedures to mitigate those risks identified in the Board Assurance Framework and risk registers,
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.
- maintaining adequate insurance cover.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Finance Committee. The Board of Trustees and senior management regularly consider the major risks to which the charity is exposed.

The Governance and Oversight Committee (formerly Governance) reviews the risk registers and gains assurance that management implement appropriate procedures and controls and that appropriate insurance cover is in place.

The major risks St Elizabeth Hospice faces are as follows:

- **NHS funding:**  
The Hospice has two significant NHS funding sources - a grant agreement negotiated with the Ipswich & East Suffolk CCG (I&ESCCG) and a contract with ECCH; both agreements end in March 2024. The I&ESCCG agreement seeks to align the contribution from this source of funding to the national average level of hospice support. Both contracts have an annual incremental increase. However, there is a risk that this rate of increase does not keep pace with cost increases in real terms. The I&ESCCG grant agreement includes a regular review of contribution level.

The Hospice continues to work closely with NHS colleagues via the Alliance Board and participation in the End of Life Review, consistently demonstrating the value of the services and the contribution the Hospice provides

- **Generated income shortfall:**  
The charity needs to offset NHS income risk by ensuring it has a diverse range of activities for generating funds that is independent of income from the NHS. The charity develops and maintains a wide range of income sources and is always seeking new potential income streams to support its charitable activities.

Some of the charity's income is quite volatile and unpredictable, particularly legacies. The charity maintains a level of reserves that enables it to handle these fluctuations in income without impacting service delivery in the near term.

Following the second lockdown caused by the pandemic the charity's retail shops re-opened in April 2021. The budget for the year ending 31 March 2022 allows for a gradual return to full trading over the following six months and management are monitoring turnover and taking action where necessary to support a return to pre-pandemic levels of contribution.

- **Patient care quality:** The charity is registered with the Care Quality Commission (CQC), the sector's care regulator. The quality of patient care is key to meeting the care standards required and maintaining the high reputation of the charity in its local community which also, in turn, affects the ability to raise funds. The charity takes considerable care to ensure it maintains high patient care standards and that these are regularly monitored and improved. This risk is mitigated by ensuring that suitably qualified staff are recruited, rewarded and are appropriately skilled and trained.
- **Staff knowledge and skills:** Key to an effective organisation and especially to the delivery of high quality care is the knowledge and skills of the charity's staff. Our education department oversees the arrangement, delivery and monitoring of all staff training and development.

#### **Governing Document**

St Elizabeth Hospice (Suffolk) is a charitable company limited by guarantee governed by its Memorandum and Articles of Association dated 24 February 1984. These were updated and amended on 19 September 2005. It is registered as a charity with the Charity Commission. Staff and volunteers are eligible for membership of the charitable company after one year's service and the Board of Trustees can invite others to become members at their discretion. At 31 March 2021 there were 79 members (2020 - 80), each of whom agrees to contribute £1 in the event of the winding up of the charitable company.

#### **Recruitment and appointment of Board of Directors**

The Trustees are also the directors of the company for the purposes of company law and under the company's Articles. Under the requirements of the Memorandum and Articles of Association the members of the board are elected to serve for a period of three years after which they must stand down and be re-elected at the next Annual General Meeting. New trustees are recruited to the board as required via a formal recruitment process.

During the year two new Trustees were appointed to the Board. Mr Nick Banks is a chartered accountant and a partner in the firm Scrutton Bland. He was appointed as a Trustee in January 2021 and became Treasurer and chair of the Finance Committee on 1 April 2021. Mrs Pam Fenner is the Eastern Region Representative on the National Council for Palliative Care. She is a clinical adviser on Palliative and End of Life Care to the Norwich CCG and chairs the Norfolk and Waveney Palliative and End of Life Collaborative. She was appointed as a Trustee on 7 April 2021.

In accordance with the Articles of Association at the 2020 AGM three Trustees retired by rotation. Mrs Ann Hogarth and Mr Mark Nicholls put themselves forward for re-election and were re-appointed to the board. Dr Nigel Gibbons retired as a Trustee. The Trustees are very grateful for his thirteen years of service as a Trustee. Mr Nick Hulme resigned as a Trustee on 21 January 2021 due to his very considerable work commitment as Chief Executive of East Suffolk and North Essex NHS Foundation Trust.

During the year Harriet Davis resigned as a shadow Trustee. Lucy Watts continues as a shadow Trustee. Lucy is a palliative care patient from Essex. She is a regular public speaker and advocate with a national profile. The role of a shadow Trustee is intended to ensure that the views and opinions of younger people are heard as part of the charity decision making. Shadow Trustees attend and play an active role in both board and sub-committee meetings. The role does not have a voting right.

#### **Trustee induction**

New board members undergo an orientation programme to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the board and decision making processes, the business plan and recent financial performance of the charity. During their induction they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events in order to further facilitate the undertaking of their role.

#### **Organisational structure**

The board, currently consisting of twelve full Trustees and one shadow Trustee, meets regularly and has five principal sub-committees; the Finance Committee, the Governance Committee, the Income Generation Committee, the Patient and Family Services Committee and the Remuneration Committee, all of which have at least three trustee members. The committees are in turn supported by a number of operational groups supporting the charity's various activities. The Memorandum and Articles of Association allow for a minimum of three Trustees but no maximum. The Trustees have responsibility for the strategic direction of the charity, ensuring that it is solvent, operating in a professional manner and delivering the outcomes for which it has been set up. The board met on seven occasions during the year. In order to protect Trustees during the pandemic, Trustees were able to attend meetings via video link.

At its meeting in February 2021 the Board reviewed its Governance arrangements and decided to change its sub-committee structure. With effect from 1 April 2021 the new sub-committees are

- Governance and Oversight Committee
- Care and Clinical Governance Committee
- People and Culture Committee
- Income Generation and Communications Committee, and
- Finance and Investments Committee.



## St Elizabeth Hospice (Suffolk)

### Trustees' report (continued)

Attendance at board and sub – committees is set out below,

	Board of Trustees	Finance	Governance	Income Generation & Marketing	Patient & Family Services
Ian Turner	7/7	4/4	4/4	5/5	
William Barnes	7/7	4/4	4/4		
Grainne Drummond	6/7				4/4
Nick Hatton	6/7			5/5	
Ann Hogarth	7/7		4/4		
Terry Hunt	5/7			5/5	
Graham Mackenzie	7/7		2/4		2/4
Anthony Nicholl	7/7	4/4	4/4		4/4
Mark Nicholls	3/7	2/4		2/5	
Ann (Nina) Parkinson	7/7				4/4
<b>Resigned Trustees</b>					
Nigel Gibbons	3/3				1/1
Nick Hulme	3/4		1/3		1/3
<b>New Trustees</b>					
Nick Banks	2/2	1/1		1/1	

The Chief Executive Officer is appointed by the Trustees with delegated authority for operational matters including finance, employment and care-related activity. The Chief Executive Officer is responsible for ensuring that the charity delivers the services specified and key performance indicators are met. The Senior Leadership Team has responsibility for the day-to-day operational management of the charity, individual supervision of various groups of staff, ensuring that staff develop their skills and good working practices.

There is a hospice partnership group in place, consisting of up to 15 patient representatives. The Partnership Group was not able to meet in person during the pandemic. The Chair of the Partnership Group has continued to meet members of SLT on a regular basis, and staff have continued to seek service user involvement in the design of services.

#### **Governance**

The Governance and Oversight Committee, chaired by Ann Hogarth and comprising the Chief Executive, the Director of Corporate Services, the Director of Finance and four Trustees, has responsibility for the operational governance of the charity. This committee carries out regular reviews of the governance procedures, terms of reference of the board sub-committees and the role description of Chairman, Treasurer and other trustees.

The Board has developed a Board Assurance Framework (BAF) approach to risk. A BAF is in place which is reviewed by trustees and is supported by a series of risk registers relevant to the area of responsibility and agreed with the Board sub-committees of Finance, Patient and Family Services, Income Generation and Marketing, and Governance.

#### **Disabled persons**

The Charity has an Equal Opportunities policy. This means that we have undertaken to support disabled people employed within the Charity.

#### **Employee Engagement**

The Charity is committed to providing information to employees on matters of concern to them and consulting employees, or their representatives, all staff are provided with a weekly communication via email updating on current issues and events. Our internal magazine 'Get Involved' is published monthly and is provided to both staff and volunteers, the magazine provides an update from the Chief Executive, highlights news and events from the past month, staff and volunteer changes and upcoming events. The Charity operates a staff and volunteer forum which meets six times a year, the meeting is attended by the Chief Executive and is a forum to update and engage with representatives on all aspects of the charity. During COVID-19 email updates were provided more regularly, along with video messages from the Chief Executive and Chairman of Trustees updating and thanking staff and volunteers. The charity also has a Freedom To Speak Up guardian to ensure staff have a safe space to raise any concerns.

#### **Trustees' responsibilities in relation to the financial statements**

Trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom accounting regulations.

Company law requires Trustees to prepare financial statements for each financial year. Under that law Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view. In preparing those financial statements, Trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities SORP;
- c. follow FRS 102 (The Financial Reporting Standard applicable) subject to any materials departures disclosed and explained in the financial statements;
- d. make judgments and estimates that are reasonable and prudent;
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

Trustees are responsible for ensuring the charity keeps adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

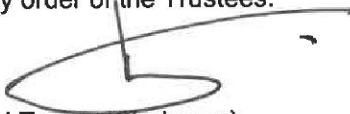
In accordance with company law the Trustees, as the company's directors, certify that:-

- So far as we are aware, there is no relevant audit information of which the charitable company's auditor is unaware.
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditors**

A resolution to reappoint RSM UK Audit LLP, Chartered Accountants, as auditor will be put to the members at the annual general meeting.

By order of the Trustees.

A handwritten signature in black ink, appearing to be 'I J Turner', written over a horizontal line.

I J Turner (Chairman)  
23<sup>rd</sup> August 2021



### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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



## **St Elizabeth Hospice (Suffolk)**

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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



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

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

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

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Quality Commission. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with the regulator during the year.

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

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

#### **Use of our report**

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



**CLAIRE SUTHERLAND (Senior Statutory Auditor)**

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Blenheim House  
Newmarket Road  
Bury St Edmunds  
Suffolk  
IP33 3SB

24<sup>th</sup> August 2021

# St Elizabeth Hospice (Suffolk)

## Consolidated Statement of Financial Activities incorporating the Income and Expenditure Account For the year ended 31 March 2021

		Unrestricted Funds	Restricted Funds	2021	Unrestricted Funds	Restricted Funds	2020 Restated (see Note 24)
		£	£	£	£	£	£
<b>Income from donations, legacies and grants</b>	<b>5</b>	<b>4,050,797</b>	<b>147,257</b>	<b>4,198,054</b>	<b>3,941,490</b>	<b>159,128</b>	<b>4,100,618</b>
<b>Income from charitable activities</b>	<b>6</b>	<b>4,493,613</b>	<b>2,841,853</b>	<b>7,335,466</b>	<b>3,203,222</b>	<b>363,445</b>	<b>3,566,667</b>
<b>Income from trading activities</b>							
Commercial trading		1,715,520	-	1,715,520	4,052,266	-	4,052,266
Lottery subscriptions		477,080	-	477,080	466,023	-	466,023
Other income		55,350	-	55,350	170,919	-	170,919
		<u>2,247,950</u>	<u>-</u>	<u>2,247,950</u>	<u>4,689,208</u>	<u>-</u>	<u>4,689,208</u>
<b>Investment income</b>	<b>7</b>	<b>205,650</b>	<b>-</b>	<b>205,650</b>	<b>236,437</b>	<b>-</b>	<b>236,437</b>
<b>Other Income</b>		<b>894,809</b>		<b>894,809</b>	<b>450,785</b>		<b>450,785</b>
<b>Total income</b>		<b>11,892,819</b>	<b>2,989,110</b>	<b>14,881,929</b>	<b>12,521,142</b>	<b>522,573</b>	<b>13,043,715</b>
<b>Expenditure on: Raising funds</b>	<b>8</b>	<b>4,712,997</b>	<b>-</b>	<b>4,712,997</b>	<b>5,483,189</b>	<b>-</b>	<b>5,483,189</b>
<b>Charitable activities:</b>	<b>8</b>	<b>5,064,396</b>	<b>2,818,274</b>	<b>7,882,670</b>	<b>6,911,060</b>	<b>511,765</b>	<b>7,422,825</b>
<b>Total expenditure</b>	<b>8</b>	<b>9,777,393</b>	<b>2,818,274</b>	<b>12,595,667</b>	<b>12,394,249</b>	<b>511,765</b>	<b>12,906,014</b>
<b>Net income from operational activities</b>		<b>2,115,426</b>	<b>170,836</b>	<b>2,286,262</b>	<b>126,893</b>	<b>10,808</b>	<b>137,701</b>
<b>Net gains / (losses) on investments</b>	<b>11</b>	<b>965,372</b>	<b>-</b>	<b>965,372</b>	<b>(162,089)</b>	<b>-</b>	<b>(162,089)</b>
<b>Net movement in funds before transfers</b>		<b>3,080,798</b>	<b>170,836</b>	<b>3,251,634</b>	<b>(35,196)</b>	<b>10,808</b>	<b>(24,388)</b>
Transfers	<b>17</b>	-	-	-	55,414	(55,414)	-
<b>Net movement in funds after transfers</b>		<b>3,080,798</b>	<b>170,836</b>	<b>3,251,634</b>	<b>20,218</b>	<b>(44,606)</b>	<b>(24,388)</b>
<b>Reconciliation of funds</b>							
Fund balances brought forward		13,111,542	81,809	13,193,351	13,091,324	126,415	13,217,739
Fund balances carried forward	<b>17</b>	<b>16,192,340</b>	<b>252,645</b>	<b>16,444,985</b>	<b>13,111,542</b>	<b>81,809</b>	<b>13,193,351</b>

**St Elizabeth Hospice (Suffolk)**
**Balance sheet as at 31 March 2021**
**Company no. 1794927**

		<b>Group</b>		<b>Charity</b>	
	<b>Note</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	10	5,723,990	6,020,395	5,723,990	6,020,395
Intangible assets	10	146,615	116,686	146,615	116,686
Investments	11	5,537,351	4,568,524	5,567,351	4,598,524
		<u>11,407,956</u>	<u>10,705,605</u>	<u>11,437,956</u>	<u>10,735,605</u>
<b>Current assets</b>					
Stocks	13	72,611	86,345	6,554	8,134
Debtors	14	2,616,164	2,000,132	2,636,218	2,050,742
Cash at bank and in hand	15	4,397,247	1,580,627	4,395,388	1,572,426
		<u>7,086,022</u>	<u>3,667,104</u>	<u>7,038,160</u>	<u>3,631,302</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>2,048,993</u>	<u>1,179,358</u>	<u>1,978,852</u>	<u>1,143,345</u>
<b>Net current assets</b>		<u>5,037,029</u>	<u>2,487,746</u>	<u>5,059,308</u>	<u>2,487,957</u>
<b>Net assets</b>		<u>16,444,985</u>	<u>13,193,351</u>	<u>16,497,264</u>	<u>13,223,562</u>
<b>General fund (unrestricted)</b>		<b>7,194,851</b>	<b>6,909,577</b>	<b>7,247,130</b>	<b>6,939,788</b>
<b>Designated funds (unrestricted)</b>					
Fixed assets fund		5,870,605	6,137,081	5,870,605	6,137,081
Building refurbishment fund		500,000	-	500,000	-
Patient Services fund		1,000,000	-	1,000,000	-
Retail lockdown fund		550,000	-	550,000	-
Legacies deferral fund		1,012,000	-	1,012,000	-
Service development fund		64,884	64,884	64,884	64,884
<b>Restricted funds</b>		<b>252,645</b>	<b>81,809</b>	<b>252,645</b>	<b>81,809</b>
<b>Total funds</b>	17	<u>16,444,985</u>	<u>13,193,351</u>	<u>16,497,264</u>	<u>13,223,562</u>

No separate Statement of Financial Activities has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006. The unconsolidated figure for the net movement in funds of the Charity, including donations from its subsidiaries, would have been £3,273,702 (2020: net movement in funds of (£50,136)).

The financial statements were approved and authorised for issue by the board on 23<sup>rd</sup> August 2021, and signed on their behalf by

I J Turner  
Director

N L Banks  
Director

The notes on pages 28 to 47 form part of these financial statements.

Consolidated cash flow statement for the year ended 31 March 2021

	Note	2021 £	2020 £
<b>Net cash generated by/(used in) operating activities</b>	A	<b>2,749,054</b>	<b>(591,221)</b>
<b>Cashflows from investing activities</b>			
Interest received		1,700	3,293
Income from fixed asset investments		203,950	233,144
Purchase of tangible fixed assets		(90,787)	(266,460)
Purchase of intangible fixed assets		(43,842)	(28,267)
Decrease / (Increase) in investment cash		12,855	(7,654)
Proceeds from sale of fixed asset investments		-	1,301,186
Purchase of fixed asset investments		(16,310)	-
Net cash provided by investing activities		<b>67,566</b>	<b>1,235,242</b>
<b>Change in cash and cash equivalents in the reporting period</b>	B	<b>2,816,620</b>	<b>644,021</b>
Cash and cash equivalents at the beginning of the reporting period		<b>1,580,627</b>	<b>936,606</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>4,397,247</b>	<b>1,580,627</b>



**A Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net expenditure for the reporting period	<b>2,286,262</b>	137,701
Investment income	<b>(205,650)</b>	(236,437)
Depreciation, amortisation and loss on disposal	<b>401,105</b>	365,334
(Decrease) in stocks	<b>13,734</b>	(3,645)
(Increase)/decrease in debtors	<b>(616,032)</b>	(664,764)
(Decrease)/increase in creditors	<b>869,635</b>	(189,410)
<b>Net cash generated by/(used in) operating activities</b>	<b>2,749,054</b>	(591,221)

**B Analysis of changes in net funds**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Operating net funds</b>		
Cash and cash equivalents	<b>1,580,627</b>	936,606
Changes in net funds arising from:		
Cashflows of the entity	<b>2,816,620</b>	644,021
<b>Closing net funds</b>		
Cash and cash equivalents	<b>4,397,247</b>	1,580,627

## **1 Accounting policies**

### *Basis of preparation*

The financial statements are prepared under the historical cost convention, with the exception of investments which are stated at market value. The financial statements have been prepared in accordance with the Companies Act 2006, the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities, and FRS 102.

St Elizabeth Hospice (Suffolk) is a charitable company limited by guarantee, incorporated in England and Wales, which meets the definition of a public benefit entity under FRS102.

### *Going Concern*

The Trustees, having considered the financial risks as outlined in the Trustees' report and the impact of Coronavirus on the ability of the charity to generate sufficient income to continue activities, financial forecasts have been prepared for the current and subsequent financial year incorporating known government support, trading estimates and commitments to expenditure reduction and as a result of these forecasts, Trustees are satisfied that there are no material uncertainties and that the Charity will be able to meet all its financial commitments and accordingly have adopted the going concern basis in preparing these accounts.

### *Group accounts*

The consolidated financial statements incorporate the accounts of the Charity and those of its trading subsidiaries, Hospice Trading (Ipswich) Limited and St Elizabeth Care Agency Ltd, for the year ended 31 March 2021. A separate Statement of Financial Activities (SOFA) is not presented as the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The Charity has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosure

### *Income*

Income is included in the Statement of Financial Activities when the Charity is entitled to the income, the amount can be quantified with reasonable accuracy and there is probability of receipt.

The following specific policies apply to categories of income:

- Income for the provision of care services in the St Elizabeth Care Agency is included on a receivable basis.
- Legacies are included on the earlier of the estate being finalised and notification of value or the receipt of cash.
- Gifts donated for resale are included when sold at the price they were sold for. No amounts are included in the financial statements for services donated by volunteers.
- Lottery income is accounted for in respect of those draws that have taken place during the year.
- Government grants are credited to income in the period in which the Charity becomes entitled to them unless the grant carries pre-conditions that require the income to be deferred into a future period.

### *Expenditure*

All expenditure is accounted for on an accruals basis and liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. Expenditure has been classified under headings that aggregate all costs related to the category.

- Costs of raising funds are those costs incurred in attracting grants and donations, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the provision of hospice services and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories on a headcount basis.

### *Volunteers and donated services and facilities*

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Strategic Report.

Where services or goods are provided to the Charity as a donation they are included in the financial statements at an estimate based on the value of the contribution to the Charity.

**1 Accounting policies (continued)**

*Tangible fixed assets and depreciation*

Fixed assets are capitalised where they cost more than £1,000 individually or where their total cost exceeds this value when they form part of a capital project. Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. A full year's depreciation is charged in the year of acquisition and no charge in the year of disposal. No charge is made in the year for assets under construction. Depreciation is calculated at the following rates:-

Freehold buildings	- over 50 years
Plant and equipment	- over 20 years
Fixtures and fittings	- over 7 years
Motor vehicles	- over 5 years
Computer and EPOS equipment	- over 3-5 years

*Intangible fixed assets and amortisation*

Intangible assets are capitalised where they cost costing more than £1,000 individually or where their total cost exceeds this value when they form part of a capital project. Amortisation is provided to write off the cost, of all intangible assets evenly over their expected useful lives. A full year's amortisation is charged in the year of acquisition and no charge in the year of disposal. Amortisation is calculated at the following rates:-

Software	- over 5 years
----------	----------------

*Impairment of fixed assets*

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of net realisable value and value in use.

*Investments*

Investments are stated at market value at the balance sheet date except investments in subsidiary undertakings which are held at cost. The Statement of Financial Activities includes gains and losses arising on revaluations and disposals throughout the year.

Realised gains and losses represent the difference between the market value at the date of acquisition and the eventual sale proceeds. Unrealised gains and losses represent the difference between market value at the previous balance sheet date, or cost of any purchases during the year, and the market value at the balance sheet date.

*Stocks*

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

*Financial instruments*

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, apart from listed investments which are held at fair value derived as noted within the investments accounting policy.

*Debtors*

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

*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 of the deposit or similar account.

**1 Accounting policies (continued)**

*Creditors*

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

*Pension costs*

A number of employees contribute to the NHS Superannuation scheme and certain other employees participate in personal pension plans. Whilst the NHS Superannuation scheme is a Defined Benefit Scheme, it is a multi-employer scheme for which the Charity's share of the underlying assets and liabilities cannot be identified; it is therefore accounted for as a Defined Contribution Scheme in accordance with FRS 102. The Charity's contributions to these schemes are therefore charged to the Statement of Financial Activities when due.

*Operating leases*

Rentals paid under operating leases are charged evenly to the Statement of Financial Activities over the period in which the related asset is utilised.

*Taxation*

St Elizabeth Hospice (Suffolk) is a registered Charity and as such its income and gains are exempt from Corporation Tax to the extent that they are applied to its charitable objectives. The trading subsidiaries are liable to taxation but there is no provision for Corporation Tax in the financial statements of these entities as advantage is taken of the Gift Aid scheme in donating all taxable profits to their charitable parent, St Elizabeth Hospice (Suffolk).

*Fund accounting*

Unrestricted funds comprise accumulated surpluses and deficits on the general fund and designated funds. They are available for use at the discretion of the Trustees in furtherance of the charity objectives.

Designated funds are those funds designated for particular purposes or projects at the discretion of the trustees.

Restricted funds are created when grants, donations or legacies are made which have a restriction placed on them by the donor as to their use.

*Critical accounting estimates and areas of judgement*

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The assessment of the useful economic lives, residual values and the method of depreciating fixed assets requires management estimation. Depreciation is charged to the statement of financial activities based on the useful economic life selected, which requires an estimation of the period and profile over which the group expects to consume the future economic benefits embodied in the assets. Useful economic lives and residual values are re-assessed and amended as necessary when changes in their circumstances are identified.



2 Net movement in funds

	2021 £	2020 £
This has been arrived at after charging:		
Depreciation	361,761	325,658
Amortisation	13,913	12,884
Loss on disposal of fixed assets	25,431	-
Government grants – Coronavirus Job Retention Scheme	635,151	20,786
Government grants – Business Rates Relief	259,656	430,000
Operating lease payments - equipment	33,826	33,826
Operating lease payments - land and buildings	409,613	509,695
Auditor's remuneration - Charity	17,875	13,000
Auditor's remuneration – subsidiaries	7,600	6,350
Auditor's remuneration – corporation tax fees	3,817	3,635
Auditor's remuneration – other	1,349	1,285

**3 Staff costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Salaries	<b>8,606,836</b>	8,282,664
Social security costs	<b>719,222</b>	691,489
Pension costs	<b>616,314</b>	593,237
	<b><u>9,942,372</u></b>	<b><u>9,567,390</u></b>

The number of employees whose emoluments, as defined for taxation purposes, amounted to over £60,000 in the year was as follows:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	<b>4</b>	6
£70,001 - £80,000	<b>2</b>	1
£80,000 - £90,000	<b>1</b>	-
£90,001 - £100,000	<b>1</b>	1
£100,000 - £110,000	<b>2</b>	-
£130,001 - £140,000	<b>1</b>	1
	<b><u>11</u></b>	<b><u>9</u></b>

Seven of the employees (2020 - six) earning more than £60,000 are medical staff paid in accordance with NHS standard remuneration terms and who accrued benefits within the NHS Superannuation pension scheme, a defined benefit scheme. Three (2020 - two) accrued benefits under the company's defined contribution schemes. One employee earning more than £60,000 opted out of pension contributions.

The average monthly head count was 409 staff (2020: 410 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	<b>2021</b>	<b>2020</b>
	<b>Full time equivalent</b>	<b>Full time equivalent</b>
Hospice services	<b>142</b>	140
Fundraising and publicity	<b>21</b>	25
Shops	<b>59</b>	62
Management and administration	<b>47</b>	48
	<b><u>269</u></b>	<b><u>275</u></b>

None (2020 - none) of the trustees or connected persons received any remuneration during the year. Trustees are entitled to the reimbursement of expenses necessarily incurred on company business. During the year to 31 March 2021, no such expenses were claimed (2020 - none).

The Charity considers that the key management personnel comprises the trustees and the senior leadership team, which consists of the Chief Executive and six other members. The total employment benefits, including employer pension contributions of the key management personnel were £685,695 (2020 - £551,534).

The Charity has made payments of £123,745 (2020 - £50,980) under redundancy and settlement agreements, of which £12,235 (2020: £28,000) was non-contractual.

During the year clinicians employed by the National Health Service (NHS) gave their time to the Hospice at no charge. The value of this time, based on NHS rates of pay, was £265,652 (2020: £94,980). This is included in the accounts both as income from, and expenditure on, charitable activities.

## St Elizabeth Hospice (Suffolk)

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

### 4 Taxation

The company is a registered charity and is not liable to taxation on its income to the extent that it is applied to its charitable objectives. Income tax deducted at source from income is recovered from HM Revenue and Customs whenever possible.

### 5 Income from donations and legacies

	2021		2020	
	£	£	£	£
<b>Unrestricted income:</b>				
In memoriam		497,816		415,140
Trusts		183,170		138,724
Fundraising donations and other gifts		964,844		1,882,759
		<u>1,645,830</u>		<u>2,436,623</u>
<b>Restricted income:</b>				
Trusts	60,469		48,160	
Fundraising donations and other gifts	86,788		34,968	
		<u>147,257</u>		<u>83,128</u>
		<u>1,793,087</u>		<u>2,519,751</u>
Legacies-unrestricted	2,404,967		1,504,867	
Legacies-restricted	-		76,000	
		<u>2,404,967</u>		<u>1,580,867</u>
		<u>4,198,054</u>		<u>4,100,618</u>

### 6 Income from charitable activities

	2021	2020
	£	£
Unrestricted income: Grants (Ipswich & East Suffolk CCG)	2,180,367	1,932,500
Unrestricted income: Grants (Great Yarmouth & Waveney CCG)	1,440,531	1,270,722
Unrestricted income: CCG COVID-19 related Grant	872,716	-
Restricted income: NHS England grant	2,642,892	-
Restricted income: Grants	198,961	363,445
	<u>7,335,466</u>	<u>3,566,667</u>

The NHS England awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

During the year ended 31 March 2021 drugs to the value of £60,504 (2020 - £92,321) were provided by NHS Suffolk without charge out of central Government funds specifically allocated for voluntary hospices. The NHS also contributes to the cost of salaries of certain medical staff. These amounts have been introduced into the accounts as a grant received in kind and are included in the Ipswich & East Suffolk unrestricted total above.

### 7 Investment income

	2021	2020
	£	£
Bank deposit and building society interest	1,700	3,293
Interest and dividends on listed investments	203,950	233,144
	<u>205,650</u>	<u>236,437</u>



8 Analysis of expenditure

Costs of raising funds

*Fundraising*

Fundraising expenses

Support costs

2021

£

641,613

286,251

927,864

2020

£

1,209,844

250,130

1,459,974

*Commercial trading*

Trading costs

Support costs

2,743,353

811,859

3,555,212

3,133,115

682,874

3,815,989

*Lottery prizes and administration*

Prizes and administration

Support costs

175,727

18,656

194,383

155,359

14,389

169,748

*Investment management costs*

35,538

37,478

**Total Costs of raising funds**

4,712,997

5,483,190

Costs of charitable activities

*Inpatient Unit*

Patient care

Catering

Support costs

2,985,498

204,516

614,761

3,804,775

2,791,539

266,342

607,947

3,665,828

*Day Services*

Patient care

Support costs

279,251

94,025

373,276

438,640

91,751

530,391

*Community*

Patient care

Support costs

2,221,532

573,625

2,795,157

2,078,152

420,903

2,499,055

*Therapies and Wellbeing*

Patient care

Support costs

687,436

222,026

909,462

568,066

159,485

727,551

**Total costs of charitable activities**

7,882,670

7,422,825

**Total expenditure**

12,595,667

12,906,014

**9 Support costs allocation**

	Finance & legal	Office Mgmt	IT	HR	Property & Depn	PR	Education	2021 Total	2020 Total
	£	£	£	£	£	£	£	£	£
Fundraising	30,211	59,755	41,164	27,789	102,974	9,819	14,539	286,251	250,130
Commercial trading	85,683	169,475	116,748	78,815	292,054	27,848	41,236	811,859	682,874
Lottery	1,969	3,894	2,683	1,811	6,711	640	948	18,656	14,389
Inpatient Unit	64,881	128,331	88,405	59,681	221,151	21,087	31,225	614,761	607,947
Day Services	9,923	19,628	13,521	9,128	33,824	3,225	4,776	94,025	91,751
Community	60,540	119,744	82,489	55,687	206,353	19,676	29,136	573,625	420,903
Therapies and Wellbeing	23,432	46,348	31,928	21,554	79,871	7,616	11,277	222,026	159,485
	<u>276,639</u>	<u>547,175</u>	<u>376,938</u>	<u>254,465</u>	<u>942,938</u>	<u>89,911</u>	<u>133,137</u>	<u>2,621,203</u>	<u>2,227,479</u>

The entity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Where they are not directly attributable, support costs are allocated on the basis of FTE headcount.

**10.1 Tangible fixed assets**

Group and Charity

	Freehold land and buildings £	Equipment, fixtures and fittings £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 April 2020	6,704,231	2,376,504	22,845	9,103,580
Additions	-	90,787	-	90,787
Disposals	-	(42,693)	-	(42,693)
<b>At 31 March 2021</b>	<b>6,704,231</b>	<b>2,424,598</b>	<b>22,845</b>	<b>9,151,674</b>
<b>Depreciation</b>				
At 1 April 2020	1,532,129	1,528,211	22,845	3,083,185
Charge for the year	133,567	228,194	-	361,761
Eliminated on disposal	-	(17,262)	-	(17,262)
<b>At 31 March 2021</b>	<b>1,665,696</b>	<b>1,739,143</b>	<b>22,845</b>	<b>3,427,684</b>
<b>Net written down value</b>				
<b>At 31 March 2021</b>	<b>5,038,535</b>	<b>685,455</b>	<b>-</b>	<b>5,723,990</b>
At 31 March 2020	5,172,102	848,293	-	6,020,395

The cost of land, not depreciated, included above is £40,000 (2020: £40,000).

## 10.2 Intangible fixed assets

### Group and Charity

	<b>Software £</b>
<b>Cost</b>	
At 1 April 2020	136,800
Additions	43,842
<b>At 31 March 2021</b>	<b>180,642</b>
<b>Amortisation</b>	
At 1 April 2020	20,114
Charge for the year	13,913
<b>At 31 March 2021</b>	<b>34,027</b>
<b>Net written down value</b>	
<b>At 31 March 2021</b>	<b>146,615</b>
At 31 March 2020	116,686



**11 Fixed asset investments**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investments in subsidiary undertakings	-	-	30,000	30,000
Long term investments	<b>5,537,351</b>	<b>4,568,524</b>	<b>5,537,351</b>	<b>4,568,524</b>
	<b>5,537,351</b>	<b>4,568,524</b>	<b>5,567,351</b>	<b>4,598,524</b>

The investment in subsidiaries relates to the whole share capital of Hospice Trading (Ipswich) Limited (company registration number 02354082) being 20,000 ordinary shares of £1 each, and St Elizabeth Care Agency Ltd (company registration number 8357715) being 10,000 ordinary shares of £1 each. Hospice Trading (Ipswich) Limited operates as a trading company, the main business of which is the sale of goods purchased for resale. St Elizabeth Care Agency Ltd operates as a provider of domiciliary care. The registered office of both subsidiaries is the same as the parent company.

**Long term investments**

	<b>Group and charity</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Market value</b>		
At 1 April 2020	<b>4,555,657</b>	6,018,932
Additions	<b>16,310</b>	-
Disposals	-	(1,301,186)
Realised gains	-	618,517
Unrealised gains/(losses)	<b>965,372</b>	(780,606)
	<b>5,537,339</b>	4,555,657
Cash deposits	<b>2</b>	12,857
Hospice Quality Partnership	<b>10</b>	10
<b>At 31 March 2021</b>	<b>5,537,351</b>	<b>4,568,524</b>
<i>Market value can be analysed as follows:</i>		
UK listed equities and unit trusts	<b>5,537,339</b>	4,555,657
Cash deposits	<b>2</b>	12,857
Hospice Quality Partnership	<b>10</b>	10
	<b>5,537,351</b>	<b>4,568,524</b>
<i>The historical cost of long term investments can be analysed as follows:</i>		
UK listed equities and unit trusts	<b>2,680,648</b>	2,664,338
Cash deposits	<b>2</b>	12,857
Hospice Quality Partnership	<b>10</b>	10
<b>Cost at 31 March 2021</b>	<b>2,680,660</b>	<b>2,677,205</b>

**12 Results of commercial subsidiaries**

The results of the trading subsidiary, Hospice Trading (Ipswich) Limited, are shown below. The principal activity of Hospice Trading (Ipswich) Limited is the sale of goods bought in for resale.

	2021 £	2020 £
Turnover	111,920	392,490
Cost of sales	(57,280)	(162,885)
Gross profit	54,640	229,605
Administrative expenses	(156,175)	(204,416)
Operating (loss)/profit	(101,535)	25,189
Tax on (loss)/profit	(866)	-
(Loss)/profit after tax and profit for the year	(102,401)	25,189

**Balance Sheet**

	2021 £	2020 £
Fixed assets	-	-
Current assets	66,057	91,060
Creditors: amounts falling due within one year	(120,869)	(43,471)
Total net (liabilities)/assets	(54,812)	47,589
Share capital	20,000	20,000
Reserves	(74,812)	27,589
	(54,812)	47,589

The Trustees of the Hospice have agreed to support Hospice Trading (Ipswich) Limited while it recovers the deficits made during lockdown.

## St Elizabeth Hospice (Suffolk)

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

### 12 Results of commercial subsidiaries (continued)

St Elizabeth Care Agency Ltd was set up to deliver paid high quality domiciliary care with profits going to support the work of the Charity. First delivery of services began in June 2013 and the first profit was achieved in the quarter to March 2020. The results for the agency are shown below. During 2020/2021 the Directors of the Care Agency reinforced plans which resulted in the agency continuing to trade profitably.

	2021 £	2020 £
Turnover	696,900	578,580
Cost of sales	(443,452)	(357,251)
Gross profit	253,448	221,329
Administrative expenses	(194,505)	(188,987)
Grants receivable	21,390	
Operating profit	80,333	32,342
Tax on profit	-	-
Profit after tax and for the year	80,333	32,342

#### Balance Sheet

	2021 £	2020 £
Current assets	81,348	116,982
Creditors: amounts falling due within one year	(48,815)	(164,781)
Total net assets/(liabilities)	32,533	(47,799)
Share capital	10,000	10,000
Reserves	22,533	(57,799)
	32,533	(47,799)

### 13 Stocks

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Bought in goods for resale and consumables	72,611	86,345	6,554	8,134

### 14 Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	346,603	309,556	273,583	240,111
Other debtors	48,941	77,630	48,942	77,630
Amount due from group undertakings	-	-	95,519	120,828
Prepayments and accrued income	2,220,620	1,612,946	2,218,174	1,612,173
	2,616,164	2,000,132	2,636,218	2,050,742

The increase in prepayments and accrued income mainly relates to legacies notified to the Hospice before the end of the financial year but not yet received.



15 Cash at bank and in hand

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Cash at bank	4,394,011	1,577,408	4,392,252	1,569,308
Petty cash	3,236	3,219	3,136	3,118
	<u>4,397,247</u>	<u>1,580,627</u>	<u>4,395,388</u>	<u>1,572,426</u>

16 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	139,245	143,857	139,245	143,857
Taxation and social security costs	152,584	170,706	152,584	170,706
Other creditors	94,703	96,995	91,303	93,595
Amount due to group undertakings	-	-	4,024	12,849
Accruals	571,399	517,046	500,634	471,584
Deferred income	1,091,062	250,754	1,091,062	250,754
	<u>2,048,993</u>	<u>1,179,358</u>	<u>1,978,852</u>	<u>1,143,345</u>
<b>Deferred income</b>				
Balance at 1 April	250,754	500,369	250,754	500,369
Additional amounts of income deferred	1,476,273	1,007,210	1,476,273	1,007,210
Amount released to income	(635,965)	(1,256,825)	(635,965)	(1,256,825)
Balance at 31 March	<u>1,091,062</u>	<u>250,754</u>	<u>1,091,062</u>	<u>250,754</u>

Deferred income relates to advance grant funding, future events and lottery subscriptions paid in advance.

17 Analysis of fund balances current year (Group)

	Fixed assets £	Investments £	Net Current Assets £	Total £
<b>General fund (unrestricted)</b>	-	5,537,351	1,657,500	7,194,851
<b>Designated funds (unrestricted)</b>				
Fixed assets fund	5,870,605	-	-	5,870,605
Building refurbishment fund	-	-	500,000	500,000
Patient services fund	-	-	1,000,000	1,000,000
Retail lock down fund	-	-	550,000	550,000
Legacies deferral fund	-	-	1,012,000	1,012,000
Service development fund	-	-	64,884	64,884
	5,870,605	5,537,351	4,784,384	16,192,340
<b>Restricted fund</b>	-	-	252,645	252,645
	5,870,605	5,537,351	5,037,029	16,444,985

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Investment Gains £	Balance at 31 March 2021 £
<b>General fund (unrestricted)</b>	6,909,577	11,892,819	(9,777,393)	(2,795,524)	965,372	7,194,851
<b>Designated funds (unrestricted)</b>						
Fixed assets fund	6,137,081	-	-	(266,476)	-	5,870,605
Building refurbishment fund	-	-	-	500,000	-	500,000
Patient services fund	-	-	-	1,000,000	-	1,000,000
Retail lock down fund	-	-	-	550,000	-	550,000
Legacies deferral fund	-	-	-	1,012,000	-	1,012,000
Service development fund	64,884	-	-	-	-	64,884
<b>Total unrestricted funds</b>	13,111,542	11,892,819	(9,777,393)	-	965,372	16,192,340
<b>Restricted funds</b>						
Various	81,809	2,989,110	(2,818,274)	-	-	252,645
	13,193,351	14,881,928	(12,595,667)	-	965,372	16,444,985

Analysis of fund balances prior year (Group)

	Fixed assets £	Investments £	Net Current Assets £	Total £
General fund (unrestricted)	-	4,568,524	2,341,053	6,909,577
Designated funds (unrestricted)				
Fixed assets fund	6,137,081	-	-	6,137,081
Improvement fund	-	-	-	-
Service development fund	-	-	64,884	64,884
	6,137,081	4,568,524	2,405,937	13,111,542
Restricted fund	-	-	81,809	81,809
	6,137,081	4,568,524	2,487,746	13,193,351

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Investment Gains £	Balance at 31 March 2020 £
General fund (unrestricted)	6,115,636	12,521,142	(11,788,898)	223,786	(162,089)	6,909,577
Designated funds (unrestricted)						
Fixed assets fund	6,207,688	-	-	(70,607)	-	6,137,081
Improvement fund	566,000	-	(468,235)	(97,765)	-	-
Service development fund	202,000	-	(137,116)	-	-	64,884
Total unrestricted funds	13,091,324	12,521,142	(12,394,249)	55,414	(162,089)	13,111,542
Restricted funds						
Various	126,415	522,573	(511,765)	(55,414)	-	81,809
	13,217,739	13,043,715	(12,906,014)	-	(162,089)	13,193,351

# St Elizabeth Hospice (Suffolk)

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

## Analysis of fund balances current year (Charity)

	Fixed assets £	Investments £	Net Current Assets £	Total £
<b>General fund (unrestricted)</b>	-	5,567,351	1,679,779	7,247,130
<b>Designated funds (unrestricted)</b>				
Fixed assets fund	5,870,605	-	-	5,870,605
Building refurbishment fund	-	-	500,000	500,000
Patient services fund	-	-	1,000,000	1,000,000
Retail lock down fund	-	-	550,000	550,000
Legacies deferral fund	-	-	1,012,000	1,012,000
Service development fund	-	-	64,884	64,884
	5,870,605	5,567,351	4,806,663	16,244,619
<b>Restricted fund</b>	-	-	252,645	252,645
	5,870,606	5,567,351	5,057,308	16,497,264

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Investment Gains £	Balance at 31 March 2021 £
<b>General fund (unrestricted)</b>	6,939,788	11,205,727	(9,068,233)	(2,795,524)	965,372	7,247,130
<b>Designated funds (unrestricted)</b>						
Fixed assets fund	6,137,081	-	-	(266,476)	-	5,870,605
Building refurbishment fund	-	-	-	500,000	-	500,000
Patient services fund	-	-	-	1,000,000	-	1,000,000
Retail lock down fund	-	-	-	550,000	-	550,000
Legacies deferral fund	-	-	-	1,012,000	-	1,012,000
Service development fund	64,884	-	-	-	-	64,884
<b>Total unrestricted funds</b>	13,141,753	11,205,727	(9,068,233)	-	965,372	16,244,619
<b>Restricted funds</b>						
Hospice UK	-	2,642,892	(2,642,892)	-	-	-
Various	81,809	346,218	(175,382)	-	-	252,645
<b>Total Restricted funds</b>	814,809	2,989,110	(2,818,274)	-	-	252,645
	13,223,562	14,194,839	(11,886,507)	-	965,372	16,497,264

### Restricted funds:

Restricted funds comprise a number of gifts and donations made towards the Charity's running costs and equipment. NHS England, through Hospice UK, provided extraordinary support to hospices during the year due to the COVID-19 pandemic.

### Designated funds:

The fixed assets fund was established to reflect the net book value of tangible and intangible fixed assets, thus clearly earmarking those funds which do not form part of the liquid resources available for the day to day operation of the Charity.



Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

During the year the Trustees reviewed the reserves and decided to set up four new designated funds to protect the Hospice from future uncertainty.

The *building refurbishment fund* provides for work to be done on the oldest part of the building, to renovate it and to make provision for modern methods of working.

The *patient services fund* makes provision to deliver services in future years which will not receive NHS funding.

The *retail lockdown fund* makes provision for deficits which would be incurred should there be a further lockdown due to Coronavirus or any other pandemic.

The *legacies deferral fund* spreads the income from larger legacies over four years to protect against sudden falls in this volatile source of funds.

The *Service Development fund* relates to the funding required for the Young Adult Pilot. The Young Adult Pilot will continue when guidance allows.

The reserves policy is reviewed each year in the light of the changes in the environment and growth of activities of the Charity. The detailed reserves policy is set out in the Strategic Report on page 14.

Analysis of fund balances prior year (Charity)

	Tangible fixed assets £	Investments £	Net Current Assets £	Total £
General fund (unrestricted)	-	4,598,524	2,341,264	6,939,788
Designated funds (unrestricted)				
Fixed assets fund	6,137,081	-	-	6,137,081
Improvement fund	-	-	-	-
Service development fund	-	-	64,884	64,884
	6,137,081	4,598,524	2,406,148	13,141,753
Restricted fund	-	-	81,809	81,809
	6,137,081	4,598,524	2,487,957	13,223,562

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Investment Gains £	Balance at 31 March 2020 £
General fund (unrestricted)	6,171,595	11,884,160	(11,177,664)	223,786	(162,089)	6,939,788
Designated funds (unrestricted)						
Fixed assets fund	6,207,688	-	-	(70,607)	-	6,137,081
Improvement fund	566,000	-	(468,235)	(97,765)	-	-
Service development fund	202,000	-	(137,116)	-	-	64,884
Total unrestricted funds	13,147,283	11,884,160	(11,783,015)	55,414	(162,089)	13,141,753
Restricted funds						
Various	126,415	522,573	(511,765)	(55,414)	-	81,809
	13,273,698	12,406,733	(12,294,780)	-	(162,089)	13,223,562

## St Elizabeth Hospice (Suffolk)

### Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

#### Designated funds

It was agreed in 18/19 that the Improvement fund would be returned to general reserves except for £566,000 which relates to the charitable expenditure of the preferred place of care pilot in 19/20, expenditure in the year was £468,235 therefore at the end of 19/20 the remaining balance of £97,765 was returned to general reserves as intended.

#### Restricted funds:

The restricted funds comprise a number of gifts and donations made towards the Charity's running costs and equipment.

## 18 Members guarantee

The charitable company has no share capital but is limited by guarantee. Every member of the company is a guarantor and undertakes to contribute to the assets of the charitable company in the event of it being wound up such amounts as may be required. Each guarantor's liability is limited to £1.

## 19 Pension costs

A number of the charitable company's employees are members of the National Health Service Superannuation Scheme, which is a multi-employer defined benefit scheme funded by contributions from employee and employer. It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme as the scheme is unfunded and therefore, in accordance with FRS102, contributions to the scheme are accounted for as if it were a defined contribution scheme.

Employer's contributions to the scheme were made at the rate of 14.3% and employee contributions ranged from 5.6% to 14.5%.

Certain other employees belong to personal pension plans to which the Charity makes contributions.

The assets of these pension arrangements are held separately from those of the charitable company. The total pension cost charge represents employer's contributions payable by the charitable company to the scheme and plans and amounted to £616,314 (2020 - £593,237). Total amounts outstanding at the year-end amounted to £87,529 (2020 - £86,659) and this amount is included in other creditors (note 16).

## 20 Financial commitments

As at 31 March 2021, the charitable company had total annual commitments under non-cancellable operating leases as set out below:

	Group and Charity				
	Motor Vehicles	Equipment	Land & buildings		
	2021	2021	2021	2021	2020
	£	£	£	£	£
Operating lease obligations:					
Within one year	15,963	6,900	456,367	479,230	489,586
In one to two years	-	6,900	329,019	335,919	406,717
In two to five years	-	16,675	298,365	315,040	490,140
Over five years	-	-	87,687	87,687	128,563
	<u>15,963</u>	<u>30,475</u>	<u>1,171,438</u>	<u>1,217,876</u>	<u>1,515,006</u>

The above leases within Land & Buildings are shop leases which are normal commercial leases and are subject to rent review.

## 21 Related party transactions

	2021 £	2020 £
Income from related parties:		
Income from costs recharged to subsidiary undertakings	127,486	197,668
Gift aid from subsidiaries	-	33,182
Donations from Trustees	253	8,352
	<hr/>	<hr/>
Costs from related parties	11,709	103,238
Balance due from subsidiary undertaking at 31 March	95,519	120,828
Balance due to subsidiary undertakings at 31 March	4,024	12,849
	<hr/>	<hr/>

During the year the sum of £833 (2020: £730) was paid to obtain Trustee Indemnity Insurance in order to protect the Charity from loss arising from the neglect or defaults of its trustees, employees or agents and to indemnify the trustees and other officers against the consequences of any neglect or default on their part.

One (2020: one) close family member of a trustee was employed by the Charity and remuneration totaling £4,653 was paid to them in the year ended 31 March 2021 (2020: £10,632).

## 22 Financial instruments

The carrying amount of the group's and company's financial instruments measured at fair value through the Statement of Financial Activities as 31 March were:

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Instruments measured at fair value through SOFA	5,537,349	4,568,524	5,537,349	4,568,524
	<hr/>	<hr/>	<hr/>	<hr/>

## 23 Funds held as agent

The Charity acts as an agent on behalf of the Regional Action Group. £Nil (2020: £Nil) was received on behalf of the Regional Action Group in the year, £Nil was paid in the year from this fund, on behalf of the Regional Action Group. At the reporting date £ 2,953 (2020: £2,953) was still being held on their behalf.

## 24 Prior Year Restatement

Income from the Coronavirus Job Retention Scheme Grants and other Government assistance previously presented within income from charitable activities has been reclassified and is presented within income from trading activities as other income. The corresponding figures have been restated accordingly to ensure comparability.

	As Previously Report	Restatement	Restated
Income from Charitable Activities	4,017,452	(450,785)	3,566,667
Other Income	-	450,785	450,785



## **Contact us**

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