

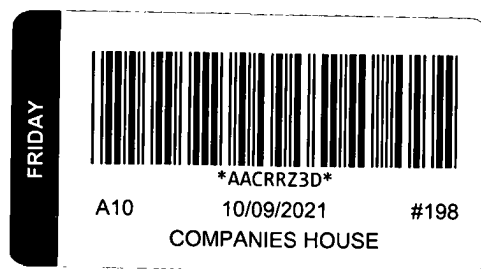
**Leicestershire & Rutland
Organisation for the Relief of
Suffering Limited - 31.03.21**

Report and Financial Statements

Year Ended

31 March 2021

Company Number 01298456



Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Report and financial statements for the year ended 31 March 2021

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Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report For the year ended 31 March 2021

The forty first Annual Report records a further year of the achievement of the aims of the charity.

The focus of all of the charity's activities is the patients, their families and carers. The continuance of the work is dependent upon the on-going voluntary support, year by year, from the local community. Without this, the present level and standard of care could not be maintained. This support is itself built upon the charity's reputation for providing high quality care.

REFERENCE AND ADMINISTRATIVE DETAILS

LOROS: The Leicestershire & Rutland Organisation for the Relief of Suffering Limited is a company limited by guarantee and registered as a charity under the Charities Act 1960.

Registered Charity Number:	506120
Registered Company:	Registered in England and Wales 01298456
Registered and Principal Office:	The Leicestershire & Rutland Hospice Groby Road Leicester LE3 9QE
Auditor:	The Rowleys Partnership Ltd Chartered Accountants Charnwood House Harcourt Way Leicester LE19 1WP
Bankers:	The Royal Bank of Scotland plc 5 Market Street Leicester LE1 6DN
Discretionary Investment Management:	Smith and Williamson 9 Colmore Row Birmingham B3 2BJ
Solicitors:	Knights plc 34 Pocklington Walk Leicester, LE1 6BU

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report for the year ended 31 March 2021 (*continued*)

Directors and Trustees

The members of the board who are trustees of the registered charity are also directors of the company under the terms of the Companies Act. (*Their details are set out below.*) They have no beneficial interest in the group or in the Charity. Throughout this report, they are collectively referred to as the directors.

Chairman:	Dr Robin Graham-Brown	Consultant Dermatologist
Vice-Chairman (& Honorary Treasurer):	Mr Andrew Stant	Chartered Accountant
Members:	Dr Nik Kotecha	Company Director
	Mr Richard Brucciani	Company Chairman
	Mr Chris Greenwell	Lawyer
	Mr David Lindley (Appointed 23rd November 2020, resigned 29th March 2021)	Retired Deputy Chief Constable
	Mrs Kate Bradley (Appointed 23rd November 2020)	HR Professional
	Tim Maxted	Company Chairman
	Ms Louisa Poole (Appointed 23rd November 2020)	Chartered Accountant
	Mrs Becky O'Brien (Appointed 23rd November 2020)	NHS Director
	Mr Graham Smith (Appointed 23rd November 2020)	Retired Company Director
	Mr Chris Murray	Retired Businessman
	Mr Andrew Measom	Businessman
	Dr Richard Hurwood	Retired GP
	Dr Nakul Patel	Consultant Plastic Surgeon
Chief Executive/ Company Secretary:	Mr John Knight	
President:	Jennifer, Lady Gretton	Estate Owner

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report for the year ended 31 March 2021 (*continued*)

OVERALL PURPOSE

The overall purpose, ethos and strategy for LOROS is articulated through its Vision, Mission and Values & Behaviours statements as follows:

VISION

(Our long term aspiration for our society)

Everyone with an incurable illness has the right to excellent care. This should value and respect their uniqueness and their own choices. People should be enabled to live and die with dignity and with appropriate and compassionate support for them and their loved ones.

MISSION

(Our goals and activities in working towards our Vision)







LOROS is a charity whose aim is to enhance the quality of life of adult patients with cancer, progressive neurological conditions and end-stage organ failure for whom curative treatment is no longer possible. Patients are treated at the hospice and in the community based upon clinical need, regardless of background and the ability to pay.

LOROS specialises in holistic, multidisciplinary care, focused on the whole person and including family and carers. The care given takes into account the patients' physical, psychological, social and spiritual needs as well as their own choices. Family members are supported in adjusting to loss and bereavement.

LOROS contributes to the education and training of its own and other health and social care professionals and of volunteers. The charity is also committed to research in order to improve the understanding and practice of palliative care.



Our values and behaviours

-  **Professional**
Showing respect to patients and families, as well as members of our community, staff and volunteers.
-  **Focused**
On exceptional quality service and support for patients and families whilst listening, learning and adapting to their diverse needs.
-  **Collaborative**
Working together as colleagues and with local, regional and national partners to grow meaningful relationships and achieve sustainability.
-  **Compassionate**
Showing kindness, discretion and sensitivity as we care for our patients, families, our community, staff and volunteers.
-  **Trustworthy**
Be honest, reliable and consistent, showing respect and dignity in everything that we do.
-  **Accountable**
To our patients, their families, our community, staff, volunteers and external organisations/bodies.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report for the year ended 31 March 2021 (*continued*)

STRUCTURE, GOVERNANCE AND MANAGEMENT

- **Trustee Board Members**

The board is responsible for the overall governance of the Charity. (*The Chief Executive is responsible for the day-to-day management and for implementing policy.*)

The board numbers up to fifteen members. Members of the board are elected at the Annual General Meeting. A third of the membership has to retire each year. Retiring members may stand for re-election and may serve up to nine consecutive years. The board is able to identify the individual skills and experience that it needs to have represented in its membership in order to enable it properly to discharge its responsibilities. Candidates from the local community for election to the board may be proposed either by the board itself, by members of the LOROS Association or through open advert set against the skill set being sought. The directors are also able to appoint a person to the board in order to fill a vacancy.

Prior to election or appointment a prospective board member meets with the Chairman, Chief Executive and with one or more senior trustees in order to be able to appreciate the nature of the role of being a trustee of LOROS, of being a director of the company and of the scope of the Charity's services and of its work together with information on the financial status of the company. There is an induction handbook and an induction programme for new trustees in order to enable them to contribute effectively as members of the board.

- **Liability of Members**

The Charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 14th February 1977. It has no share capital. The Memorandum of Association provides that every member whilst he/she is a member or within one year after he/she ceases to be a member is liable to contribute a sum not exceeding £1.05 in the event of the company being wound up.

- **Governance**

The board meets five times a year. Relevant matters (particularly the annual financial budget) are agreed by the board itself. The only formally delegated powers are to the Treasurer's Committee, which is authorised to instruct the "Discretionary Investment Managers", also open, and close bank accounts on behalf of the board.

A Retail Committee (which includes the Chief Executive, Director of Income Generation & Business Development and the Director of Finance) advises the board on retail matters and a Business Development Group advises on potential business opportunities although neither group has delegated authority.

There are also Education & Research, Clinical Governance (which embraces clinical audit) and Equality, Diversity and Inclusivity Committees. They report to the board via the Senior Management Team and the Chief Executive. Designated board members attend and Chair these meetings.

In 2017, the Board of Trustees formed the Income Generation and Marketing Standards Committee in response to the publication of the Etherington Report and Charity Commission guidance on fundraising practices across the charity sector. The sub-committee, chaired by a Trustee ensures the public's confidence that LOROS adheres to new guidance on income generation and that the hospice's fundraising activities are legal, ethical, transparent and do not place the charity's reputation at risk.

The board has also decided to approve one Trustee in particular to take an oversight on governance matters. This Trustee will work with the CEO to ensure any necessary responses are achieved against emerging legislation and to ensure all board members are aware of and act in alignment to their governance responsibilities.

The Trustees have regard to the matters set out in Section 172(1)(a) to (f) when performing their duty under S172 of the Companies Act.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report for the year ended 31 March 2021 (*continued*)

RISK MANAGEMENT

In the past year LOROS has significantly reviewed its approach to risk management. Whilst the overall risk register remains in place the responsibility for each individual risk has been devolved to a number of sub-committees where professional expertise exists to consider those risks. Each of these committees is chaired by a Trustee, this ensures they have a full and active awareness of risk within the organisation and that their programme of activity includes the maintenance and regular review of allocated risks. A new overall Risk Committee has been formed to ensure that the focussed work undertaken within each sub-committee is gathered together corporately and includes an assessment of LOROS' attitude towards risk more generally. Risk reviews include the identification of existing controls and of any additional ones considered to be necessary. The main financial risks relate to the on-going security of funding from the NHS, together with the ability to raise sufficient voluntary income and an adequate supply of donated items for sale through the shops. The main clinical risks relate to the safe and effective care of our patients (including vulnerable adults).

Detailed policies and procedures are in place to manage and to mitigate these risks. Insurance cover is maintained where it is considered appropriate.

In respect of financial risk the directors consider that the maintaining of LOROS' free and unrestricted reserves at the level set down, together with the regular review process, will provide sufficient resources to meet adverse conditions.

IMPACT

LOROS' aim is to enhance the quality of life of adult patients with cancer, progressive neurological conditions and end-stage organ failure for whom curative treatment is no longer possible. Most of the patients referred have cancer but LOROS does also support patients with other terminal conditions. All patients are admitted aged eighteen years and upwards. LOROS is committed to providing a breadth of care which responds to the patients' physical, psychological, social and spiritual needs. (*This aim is consistent with the charity's Memorandum of Association.*)

It is accepted that the outcomes of palliative care can be difficult to quantify. It is abundantly clear, however, from the feedback received from patients and relatives and from the high reputation that LOROS enjoys for the quality of care provided, that the charity does make a significant impact.

LOROS makes a difference in:

- Providing highly effective specialist pain relief and symptom control, providing patients with a better quality of life. Care is provided within a holistic framework which embraces physical, emotional, spiritual and social care.
- Optimising the condition of patients. For many patients this will mean that they are able to return to home
- Supporting patients to stay at home with high quality care and advice through the LOROS Community Nurse Specialists, the LOROS Day Therapy Service, medical clinics, doctor home visits and the LOROS Home Visiting Service.
- Enabling patients to have choices in their care through offering advance care planning, including where they are looked after when they die.
- Avoiding unwanted admissions to an NHS Acute hospital trust. This may be by supporting the patients at home or in the hospice, or a combination of both.
- Providing high quality professional support for patients, their families and carers when the patient is dying (and after the death of the patient).
- Improving the understanding and practice of palliative care through contributing to research and to the education and training of its own and other health and social care professionals.
- The provision of an increasing number of community based services, such as five community consultant clinics held in outlying towns and two Lymphoedema clinics.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report for the year ended 31 March 2021 (continued)

The Charity's aims are achieved through several different, yet closely integrated, elements of specialist care.

Achievements in Provision of Care

These achievements may be quantified and the levels of activity this year are similar to last year in most areas.

- **Clinical Activity (which represents a key performance indicator).**

	2020/21	2019/20	2018/19
Referrals	1,878	2,959	2,716
Ward Admissions	521	713	693
Ward Length of Stay (Average)	14 Days	13 Days	13 days
Ward Occupancy (Average)	63%	89%	91%
Out-patient Attendances	3,217	3,843	1,321
Day Therapy Attendances	2,161	2,299	2,688
Counselling Assessments and Sessions	3,312	2,929	2,667
Lymphoedema Clinic Attendances	2,030	1,824	1,848
Community Nurse Specialist Contacts	See page 7	2,481	2,749
Complementary Therapy Contacts	510	2,595	2,011
Home Visiting visits	1,918	2,018	1,966

The Charity responds to requests from General Practitioners, specialist nurses and hospital Consultants for the admission of patients to LOROS' services. The board monitors the activity regularly in order to ensure both that the Charity's resources are being used effectively and that it is obtaining 'value for money' from the funds being spent on service provision.

With regard to the in-patient facility, apart from the number of in-patient episodes, the board monitors the occupancy and the average length of stay.

The following summaries set out the different service elements.

- **The Hospice In-patient Ward**

The in-patient facility is the cornerstone of the work and utilises the largest part of the financial resources. It has thirty-one beds (nineteen of which are in single patient rooms). The hospice team provides short-term specialist care for patients with complex problems (pain and symptom control) and care in the last days of life.

The number of in-patient admissions to the hospice at 521 was 27% down on the previous year and reflects the restrictions caused by the pandemic. The ward staff responds quickly to requests for the admission of a patient. Many will be admissions in response to a crisis. This reflects the increasing number of admissions that take place out of 'office' hours and at weekends (16% of all admissions in 2020/21). 18% of patients had a diagnosis other than cancer, including 4% with Motor Neurone Disease.

The dependency of patients admitted remains high. Patients are often very unwell and have complex needs. This results in high costs of care and high ratios of staff to patients. This can at times have an impact on admission figures.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report for the year ended 31 March 2021 (*continued*)

Achievements in Provision of Care (continued)

Impact of COVID-19

All LOROS care services continued to be delivered during the pandemic, however many were undertaken virtually via video consultations or over the phone. The principles of care delivery remain as outlined below.

- **Day Therapy**

Skilled nursing and a multi-professional team offer support for patients. This also enables a break for carers at home. Patients are offered various programmes including managing fatigue or breathlessness. The service runs on Tuesday to Friday.

Patients also have other services available to them during their visit such as medical consultations and input from the enablement team (physiotherapy and occupational therapy)

- **Care for those at home**

Significant resources are applied by the Charity to the supporting of patients and their carers' in the home. LOROS staff do all that they can to facilitate the return home of those patients who are able so to do. Key to this work are the:

- LOROS' Clinical Nurse Specialist (CNS) Team in the Community. (The team collaborates and coordinates with the NHS Community Nurse Specialist teams as part of the Integrated Specialist Palliative Care Team). Activity data for this service is now captured for the entire service and reported separately.
- LOROS' Enablement Team (of occupational therapists, physiotherapists and social workers) together with the LOROS discharge liaison nurses, facilitates the prompt discharge of patients. It is very important for patients, and for their carers, that if patients are able to return home they can do so without delay.

LOROS' Home Visiting Team. LOROS provides a service of home visits (or support calls during the pandemic) to patients so giving the carers important time to themselves. With this service patients have an alternative to attending LOROS Day Therapy.

- Out-patient Clinics/ doctor home visits. There are daily clinics for patients to see the medical team, either face to face or by telephone or video call as preferred. Those who need to be seen in person by a LOROS doctor, but are too unwell to attend clinic can be seen at home.

- **Lymphoedema Treatment**

This service provides support for patients with Lymphoedema across Leicester, Leicestershire and Rutland. LOROS provides care for patients when the condition is related to cancer but also for some conditions where it is not cancer related. In the future, the clinic will be focusing on supporting those with Lymphoedema secondary to cancer. Major improvements in the lives of patients are achieved.

At 2,030 contacts in 2020/21, activity was up 11% on the previous year.

- **Complementary Therapy**

Therapies are provided to patients whether attending as in-patients or as out-patients and to carers. Activity in 2020/21 was down 80% on the year before, reflecting the restrictions the pandemic had on the service.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report for the year ended 31 March 2021 (*continued*)

Achievements in Provision of Care (continued)

- **Counselling**

LOROS provides a number of different therapeutic interventions for both patients and carers, including bereavement counselling. It does not seek to provide long-term therapeutic support. The work is focussed on short term interventions, generally of no more than six sessions (or, by agreement, of up to twelve). The service now includes a children and young people's counsellor, who provides counselling for the children of patients accessing LOROS services. This post has been supported for 3 years by a specific donation to the hospice. The total number of sessions and assessments in 2020/21 at 3,312 was 13% up on the previous year.

- **Non-Cancer Care**

The board is mindful of the implications for LOROS of the wish to see palliative care extended to support other patient diagnostic groups. The amount of work which is not cancer-related is growing slowly though the main emphasis remains on caring for patients with malignancy.

Non cancer patients most commonly seen are those with neurological conditions such as Motor Neurone Disease and patients with end stage organ failure.

The Lymphoedema Clinic contacts are currently split about 50/50, cancer and non-malignancy related, though the focus is moving to cancer related lymphoedema in the future in agreement with commissioners.

LOROS has developed a number of outpatient clinics specifically for non-cancer patients.

Work with non-cancer patients is often carried out in consultation with other specialist healthcare professionals.

To provide additional support for patients who may have a secondary diagnosis of dementia, end stage dementia or have a close relative with dementia. LOROS appointed an Admiral Nurse in 2019, partly funded by Dementia UK until March 2021.

- **The Future**

There remains substantial financial pressures on the health and social care system locally in Leicester, Leicestershire and Rutland (LLR), and as a consequence on End of Life services.

This situation has been further significantly impacted upon since March 2020 by the COVID 19 pandemic. There can be no doubt that this will have long lasting consequences for society worldwide.

LOROS has, by necessity, needed to redesign its care services and also has responded creatively to the new challenges of income generation in an environment that demands social distancing. The Senior Team and Board of Trustees have met more regularly, directly alongside colleagues responsible for service delivery in order to plan for the future and to ensure decisions are taken in a timely and effective manner. This approach will continue throughout the coming year and as long as necessary until the new form of normal working is found.

LOROS remains an integral member of the End of Life Care Programme Board that is developing services across LLR.

The board have not identified plans to increase the number of inpatient beds, however 2018-19 saw the continued expansion of LOROS into the community. Building upon our mobile resource LOROS Local and outpatient clinics at Uppingham Surgery in Rutland, LOROS further extended its reach by developing four additional doctor's surgeries in outlying towns. Those were Hinckley, Ashby, Melton Mowbray and Market Harborough. These community clinics have been on hold during the pandemic and are being reviewed. LOROS remains eager to design and develop a 'well-being centre' which will bring information, advice, support and other non-clinical hospice services to a setting within a town outside of Leicester thus

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report for the year ended 31 March 2021 (*continued*)

Achievements in Provision of Care (continued)

significantly increasing accessibility. We are planning to develop this alongside a compassionate community's initiative and in partnership with another local charity within Leicester, Leicestershire and Rutland.

A new 3 Year Strategic organisational plan was launched in January 2020 and this is being reviewed in response to the impact of COVID and the financial resources now available to the hospice. It is anticipated that there will be a series of service reviews and re-designs, none of which will impact upon the core mission of the charity to provide specialist end of life care.

It is pleasing to note that LOROS had taken the decision in 2019 to appoint a new Director of Income Generation and Business Development. This has proven to be a very positive and proactive decision as it has allowed the charity far more detailed planning of income generation including greater focus on new income streams. There is an ongoing focus to create sustainable income for the hospice and to act assertively when opportunities arise.

The coming year is one of less certainty than many before however the Directors remain committed to work with the Senior Management Committee, the wider staff and all volunteers to ensure that the future strategy is rigorously pursued and to make every effort to ensure that LOROS in responding to the changing needs of the communities of Leicester, Leicestershire and Rutland.

PUBLIC BENEFIT

- LOROS Care Services are available to the community as a whole in Leicester, Leicestershire and Rutland on the basis of "Clinical Need".
- LOROS does not provide Children's Services (apart from counselling support) which are available in other settings and LOROS' patients are aged eighteen years and upwards.
- LOROS services are provided without charge to the patients and families receiving the care.
- In-patients at the hospice would, if not with LOROS, have to be in another healthcare setting and most likely an NHS Acute Hospital Trust.
- Patients at home would in many cases, if not supported by LOROS, be in an NHS Acute Hospital or be drawing upon NHS resources in other ways.
- The directors consider that they have complied with their duties under section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission.

PATIENTS' ADVOCATE

LOROS makes a very significant contribution to the provision locally of palliative care. In the face of the local need the financial resources of the board are clearly limited. However, the Board (and the wider health community) recognises the very important role that LOROS plays in establishing and demonstrating quality and standards of care. In this way the impact and influence of the hospice extends well beyond those services provided directly by the charity.

LOROS has an active Patient and Carer participation group who support the organisation with quality assurance and ongoing service development.

EDUCATION & TRAINING

LOROS is recognised by the Royal College of Physicians as a training centre for doctors undertaking Palliative Medicine and Internal Medicine and also by the Royal College of General Practitioners for GP training.

Hospital doctors and general practitioners wanting to improve their palliative skills can attend teaching sessions and spend time with staff at the hospice. All Leicester medical students attend LOROS during their training. This

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report for the year ended 31 March 2021 (*continued*)

experience raises standards of symptom control and enables hospice care to be adopted into other settings. Nurses and allied health professionals access our training which helps to extend the knowledge of palliative care across Leicester, Leicestershire and Rutland. Student nurses, paramedics and therapists complete placements on the in-patient unit, day-therapy unit and have opportunities to work with the Clinical Nurse Specialists. Courses are also provided for Social Services care workers thereby extending knowledge to residential homes and to care in the community.

Offering clinical placements was a challenge during 2020/21 due to the pandemic and the measures put in place to ensure staff and patient safety, however our face to face teaching of medical students was able to continue and we supported 374 Medical Students and 172 FY1 junior doctors with training and placements

The LOROS Education department (with the assistance of funding from the NHS) has developed a broad programme of education for the wider health and social care community, including study days, workshops, seminars, accredited programmes and lectures. During this financial year, the number of delegates was 3,228, an increase of 1,063 from the previous year.

The education provided by LOROS has a significant impact upon the knowledge and skills of health and social care professionals and consequently therefore upon the care of patients. This is enhanced by collaboration with De Montfort University and the University of Leicester, for which we are the affiliated teaching hospice and working with other Universities in the Midlands to offer placements for pre-registration health students.

We are an accredited City & Guilds centre, with direct claims status for our palliative care programmes. We have achieved the Skills for Health Quality Mark which demonstrated to employers and students that we meeting quality standards with our education delivery. We are the accredited centre to deliver Sage & Thyme foundation level communication skills for Leicester, Leicestershire & Rutland and have delivered this training to 153 learners, all of which work in health and social care settings.

RELATIONSHIPS WITH OTHER BODIES

In co-ordinating patient services LOROS, as an "independent provider", works closely with other local health providers both within the statutory and voluntary sectors.

LOROS' NHS Grant Funding has been provided through three local Clinical Commissioning Groups.

Whilst the NHS provides less than one third of the charity's annual revenue, LOROS does rely heavily upon the continuity of provision of the NHS income (whether by grant or through some other form of agreement) and any reduction in this funding would have a direct impact upon the level of service provision.

The Charity continues to be closely involved with the local NHS Trusts in the provision and development of palliative care.

LOROS as a voluntary hospice is able to access grants which otherwise would not be available within Leicestershire and Rutland. These funds have been used to support service developments within the local community.

LOROS has a commitment to research and has research and clinical links with the University of Leicester, De Montfort University and with the University Hospitals of Leicester NHS Trust (UHL).

The charity has working relationships with a number of NHS bodies in the East Midlands, for example the Local Education and Training Board. Through its ambition to become a Centre of Excellence, it has also begun to engage more closely with other relevant partners, such as the Academic Health Science Network.

- **Care Quality Commission (CQC)**

The CQC did not carry out an inspection of LOROS and its services during 2020-21, however, regular engagement meetings have been held with the CQC inspectors, which has enabled the sharing of information and provision of assurance.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report for the year ended 31 March 2021 (*continued*)

Due to the Coronavirus pandemic the CQC paused routine inspections and are using the Transitional Monitoring Approach (TMA) to monitor services. The TMA focuses on safety, how effectively a service is led and how easily people can access the service.

The TMA includes:

- a strengthened approach to monitoring, based on specific existing key lines of enquiry (KLOEs), so the CQC can continually monitor risk in a service
- using technology and local relationships to have better direct contact with people who are using services, their families and staff in services
- targeting inspection activity where they have concerns

The TMA is not an inspection, therefore services are not rated. LOROS had a TMA online conversation with our inspector in February 2021.

• Department of Health

Quality Accounts were introduced as a result of the NHS (Quality Accounts) Regulations 2010, having been set out in the Health Act 2009. They are a new form of annual report to the public about the quality of services provided and quality initiatives planned. LOROS' Quality Account for 2019/20 can be viewed on the website www.loros.co.uk.

FINANCIAL REVIEW

The charity is in a sound financial position despite the difficult situation in the general economy and the effects of the pandemic.

The directors are careful about taking on commitments that may not be sustainable in the medium term. The directors seek to balance carefully the demonstration of financial prudence with a need to maximise patient benefits in the short-term by spending the monies donated for patient care. They are also of the view that the cash resources held by the charity enable it to respond effectively and flexibly to external change and to opportunities.

Budgets are set at the beginning of each financial year. Expenditure is prioritised and monitored in order to optimise the overall benefits for patients.

A surplus of £798,724 (2020: £2,166,308 deficit) was recorded in the financial year.

It is important to note that the COVID pandemic has caused the senior team and Trustees to make some significant decisions that have helped to safeguard the future of the charity and ensure it remains a strong going concern. A financial review has taken place and resulted in a round of redundancies to reduce overheads, a successful cost efficiencies programme has been undertaken and a review of clinical service structure v demand is also being managed as the medium term impacts of COVID become clear.

EMPLOYEE AND VOLUNTEER ENGAGEMENT

LOROS has extensive processes and systems in place to engage with our staff. We have a staff intranet which is regularly updated with the latest information and communications. We embarked on a series of staff engagement initiatives called CREATE 2020. The aim being that by the end of 2020, through staff and volunteer engagement, a series of initiatives will be implemented and embedded to ensure staff and volunteers continue to be valued and at the heart of everything we do.

In addition LOROS has a volunteer's voice programme. We also have a Patients and Carers Participation Group that regularly seeks the views of those who access our services. We ensure that actions following recommendations are fed back to the groups.

Since the COVID-19 pandemic outbreak, we have further strengthened our staff and volunteer engagement by having regular online forums.

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Director's report for the year ended 31 March 2021 (*continued*)

LOROS is committed to creating a positive culture of dignity and respect for all individuals. Our intention is to identify and minimise any form of discrimination, harassment and victimisation that disadvantages people who identify against the protected characteristics listed under the Equality Act 2010

COST OF PROVISION OF CARE (Activities in furtherance of the objects of the charity.)

- **Charitable Activities**

The cost of charitable activities at £10.959 million (2020: £11.829 million) was down 7% on the previous year.

INCOMING RESOURCES

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although LOROS does not undertake widespread fundraising from the general public, certainly outside of Leicester, Leicestershire and Rutland, the legislation defines fund raising as 'soliciting or otherwise procuring money or other property for charitable purposes.' Such amounts receivable are presented in our accounts as 'voluntary income' and include legacies and grants.

In relation to the above, we confirm that all solicitations are managed internally. The day to day management of all income generation is delegated to the executive team, who are accountable to the trustees.

The charity is not bound by any undertaking to be bound by any regulatory scheme but is mindful of and adheres to the Fundraising Regulators Code of Practice, Charity Commission Guidelines and Regulations and Data Management enforced by the Information Commissioners' Office.

The charity has a 'Safeguarding Policy' which serves to protect not only our own staff but also those people deemed to be vulnerable with whom LOROS may come in to contact through fundraising activities including Lottery doorstep collections, service in our shops and contact at or through fundraising events. Unreasonable intrusion, persistent approaches and undue pressure are not acceptable.

- **National Health Service (NHS)**

35% of current unrestricted charitable expenditure was covered by grants from the NHS from various sources of funds, 10% more than the previous year and reflects the requirement to restrict expenditure relating to the NHS England funding noted below. The overall amount received from the NHS of £2.84 million (2020: £2.96m) was 4% less than last year.

In addition, 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 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose. The income and associated spend are disclosed as restricted.

- **Donations, legacies and similar incoming resources**

Apart from the NHS monies the Charity relied upon the continued generosity of the people and organisations of Leicester, Leicestershire and Rutland. The income received in the year was £6.602m (2020: £6.762m), down 2% on last year, with the deficit attributable to a reduction in legacy income

- **Fundraising**

There is a sustainable programme of fundraising in a very competitive environment. The board values highly the substantial amount that is raised each year from the local community by way of voluntary income.

LOROS has a wide portfolio of fundraising activities to generate voluntary donations towards our core work.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report for the year ended 31 March 2021 (*continued*)

LOROS has a wide portfolio of fundraising activities to generate voluntary donations towards our core work. Our fundraising is employee and volunteer led, we do not employ the services of external agencies.

We are committed to building trust with our supporters, which is why we are members of the Fundraising Regulator, Hospice Lottery Association, Charity Retail Safeguarding Scheme and have individual memberships with the Institute of Fundraising.

Our Income Generation and Marketing Standards Committee meet twice a year to promote public, donor, board, staff and volunteers confidence in the income generation practices at LOROS, ensuring ethical practices by all teams responsible for Income Generation & Marketing.

During the financial year 2020-2021 we received no complaints relating to our fundraising activity. Three complaints were received in relation to our subsidiaries.

Trading Company – (LOROS Enterprises Limited - a wholly-owned subsidiary of the charity.)

The largest part of the trading company's turnover relates to the shops of which there are twenty-nine.

The overall reported profit contribution of £203,269 was 30% down on the previous year due to the effects of the pandemic, our shops being shut for 7 months of the financial year

In October 2010, a scheme to enable gift aid to be claimed on some donations through the charity was launched. This has proved to be successful and generated an additional amount through the charity which to some extent compensated for the loss of profit through LOROS Enterprises Ltd. In 2020/21, this retail gift aid related income amounted to £144,211, which was £712,601 less than the £856,812 achieved in 2019/20, again attributable to the effects of the pandemic.

The shops depend upon local support both for the supplies of good quality donated items, from which the shops derive nearly all of their profits, and for sufficient numbers of volunteer helpers.

LOROS Lottery (through LOROS Lotteries Limited – a wholly-owned subsidiary of the charity).

The LOROS Lottery had another successful year and, despite the challenges in the economy, generated a substantial profit of £791,196 (2020: £716,617), 10% up on the previous year.

- **Legacies**

Apart from the statutory funding, legacies are usually the charity's largest single source of income but the level each year can fluctuate significantly. This year legacy income of £1,013,522 represented 16% of LOROS' total voluntary income (compared with 44% in 2019/20, 46% in 2018/19, 52% in 2017/18 and 42% in 2016/17).

The amount of legacy income accounted for can make a very great difference to the overall results. Legacy income is not predictable but it has been the surpluses provided by legacies that has enabled the charity to build up and to maintain the reserves at the required levels and to undertake capital projects. Because of the potential for significant fluctuations the board is circumspect in the degree to which, in any one year, it relies upon legacy income in order to fund the on-going revenue expenditure.

- **Volunteers**

In addition to the income evaluated in the statement of financial activities, the charity is dependent upon the support of approximately 1,300 regular volunteers. Volunteer activities span the whole range of functions from fundraising to service provision. The directors are of the opinion that it would be impractical to attempt to quantify the value of work done by volunteers.

- **Investments**

Investment performance was excellent during the year with an unrealised valuation surplus of £1,284,363 (2020: deficit of £367,638).

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report for the year ended 31 March 2021 (*continued*)

RESERVES POLICY

The directors' current policy is to hold the equivalent of six months' current expenditure as free reserves in readily realisable form. This policy requires that free and unrestricted reserves are maintained at a level that would ensure that LOROS' core activities could be maintained in the short to medium term during periods of adverse financial conditions.

This cover is required in order to provide for:

- adequate working capital
- unforeseen expenditure
- streams of income or expenditure being different from that budgeted
- growth in demand for care services
- replacement of tangible assets

This policy is reviewed not less than annually in order to ensure that the reserve target is appropriate.

The board considers carefully the Charity's commitments, taking into account the risks inherent in these commitments and in its activities generally. It monitors, on an on-going basis, the fund balances available relative to its financial plans and to the meeting of its objectives in both the medium and longer term. The current level of reserves is in excess of the policy but is deemed to be appropriate in view of the exceptionally high current level of uncertainty with regard to future NHS funding combined with the general economic outlook affecting voluntary income.

• Reserves Cover

Based upon the expenditure for 2020/21 the minimum free reserve requirement was £5.5 million. At the end of the year free reserves, equivalent in this case to the net current assets of the Charity, stood at £4.5 million. The reserves had been built up to cover the hospice site development from 2016 to 2018, which has resulted in £4million of reserves being designated for this purpose in 2015/16.

As at 31st March 2021, the level of reserves were as follows:-

Unrestricted Funds	£16,692,587 (2020: £15,438,055)
Restricted Funds	£3,857,291 (2020: £3,882,504)
Designated Funds	£3,513,071 (2020: £3,943,666)

• Investment Policy

As part of its on-going risk and reserves assessment the Charity has appointed Smith and Williamson of Birmingham to provide "discretionary investment management". At the end of the year the funds invested were valued at £6.0 million (2020: £4.7m), up 28% on last year, reflecting the recovery in global stock prices since the start of the pandemic. In addition to this, through gifts in wills during the 2019/20 year, the charity owns property with a book value of £250,000, from which it is earning rental income.

The board has an agreed statement of investment principles. The aim is to produce a net return, year-on-year, better than the holding of cash. There is also:

- a Treasurer's Committee which regularly reviews performance
- an ethical investment policy (which is to avoid the tobacco industry)

Over half of the Charity's fund balances of £24.1 million relates to the tangible operational assets, which are held principally in its properties.

The directors keep under review the diversification of the funds held by way of reserves.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Director's report for the year ended 31 March 2021 (*continued*)

SUMMARY

Despite the significant issues in the UK economy over the last year and the unanticipated impact of the COVID 19 Pandemic LOROS has largely been able to sustain its range and level of clinical activities which provide such excellent and valued care and support for patients and family members across Leicester, Leicestershire and Rutland. The overall financial position is being monitored very carefully and will remain a key focus in all that can be achieved going forwards in such a volatile time.

Thanks must be expressed to the people and organisations of Leicester, Leicestershire and Rutland who have enabled LOROS to achieve so much and who have contributed to the raising of a huge amount of voluntary income in the year. It is the partnership between LOROS, the NHS and the wider community that has over the years enabled the aims of LOROS to be realised.

Year by year the Charity has relied upon increases in voluntary support well above inflation as the annual percentage increases in the NHS grant have failed to keep pace with inflation. In most cases the cost of service developments has had to be met from new voluntary income.

None of what has been set out could have been achieved without the hard work and dedication of LOROS' skilled staff and volunteers. The board thanks all of the staff for their commitment to the work of the Charity.

The directors are confident that LOROS has an important and continuing place as a provider of high quality care, as an upholder of the ethos and values to which it has always held and as an advocate for patients and their families.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the charity's auditor in connection with preparing their report and to establish that the charity's auditor is aware of that information.



ROBIN GRAHAM-BROWN
Chairman,
Board of Trustees, LOROS

6th September 2021



ANDREW STANT
Vice-Chairman (& Honorary Treasurer)
Board of Trustees, LOROS

6th September 2021

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Statement of trustees' responsibilities

The Directors are responsible for preparing the Director's annual report and the financial statements in accordance with applicable law and regulations. Company law requires the Director's to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). Under company law the Directors' must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charity and of the incoming resources and application of resources, including its income and expenditure of the group for that period. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Independent auditor's report

Opinion

We have audited the financial statements of The Leicestershire & Rutland Organisation for the Relief of Suffering Limited ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31st March 2021 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31st March 2021 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources 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 the Parent Charitable Company in accordance with the ethical requirements 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 related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Director's Report, other than the financial statements and our auditor's report thereon. The other information comprises the Director's Report. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Leicestershire and Rutland Organisation for the Relief of Suffering Limited

Independent auditor's report (*continued*)

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in 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 its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

- adequate 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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 determines 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 the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Leicestershire and Rutland Organisation for the Relief of Suffering Limited

Independent auditor's report (*continued*)

Auditor's responsibilities for the audit of the financial statements (Cont.)

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial report frameworks (UK Generally Accepted Accounting Practice, the Companies Act 2006) and the relevant tax compliance regulations in the jurisdiction in which the company operates.
- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual, suspected or alleged fraud;
- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur;
- Our testing considered unusual or unexpected journal entries on a sample basis;
- We evaluated the assumptions and judgements used by management within significant accounting estimates and assessing if these indicate evidence of management bias;
- We tested significant transactions, in particular the evaluation of the business rationale for any which appear unusual or outside the company's normal course of business;
- We assessed the appropriateness of the collective competence and capabilities of the engagement team by understanding the practical experience with audit engagements of a similar nature and complexity, plus ensuring the team had appropriate and relevant training of the financial reporting framework and the relevant tax compliance regulations specific to the entity.
- We reviewed the financial statements and tested the disclosures against supporting documentation;
- We have assessed these areas at group level and at component level where appropriate, we performed the component audit work ourselves as part of our audit of those entities;
- We communicated relevant matters to all members of the audit team to ensure they understood the risks specific to the entity and the audit procedures planned to mitigate these.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:
<https://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.



R J Radford FCA (Senior Statutory Auditor)
For and on behalf of The Rowleys Partnership Ltd
(Eligible to act as an auditor in terms of section 1212 of the Companies act 2006)
Statutory Auditors
Charnwood House
Harcourt Way
Meridian Business Park
Leicester
LE19 1WP

Date 7/2/2021

Leicestershire and Rutland Organisation for the Relief of Suffering Limited

Consolidated statement of financial activities for the year ended 31 March 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 funds £	Unrestricted funds £	Restricted funds £	2020 funds £
Income from:							
Donations and legacies	3	3,766,460	2,835,136	6,601,596	6,350,498	411,467	6,761,965
Investments	4	111,956	-	111,956	157,364	-	157,364
Other trading activities:							
- Shop income		2,059,871	-	2,059,871	2,311,374	-	2,311,374
- Lottery income		1,356,713	-	1,356,713	1,370,266	-	1,370,266
		<u>7,295,000</u>	<u>2,835,136</u>	<u>10,130,136</u>	<u>10,189,502</u>	<u>411,467</u>	<u>10,600,969</u>
Charitable activities							
Contribution by the National Health Service		2,838,729	-	2,838,729	2,960,450		2,960,450
Educational activities		560,271	-	560,271	337,681		337,681
		<u>3,398,999</u>	<u>0</u>	<u>3,398,999</u>	<u>3,298,131</u>	<u>0</u>	<u>3,298,131</u>
Total income		<u>10,694,000</u>	<u>2,835,136</u>	<u>13,529,136</u>	<u>13,487,633</u>	<u>411,467</u>	<u>13,899,100</u>
Expenditure on:							
Raising funds							
Shop expenditure		2,042,236	-	2,042,236	2,548,305	-	2,548,305
Lottery expenditure		565,517	-	565,517	653,649	-	653,649
Fundraising costs		417,032	-	417,032	632,117	-	632,117
Depreciation of leasehold shop properties		8,721	-	8,721	3,474	-	3,474
Investment management fees		22,528	-	22,528	31,516	-	31,516
Corporation tax		-	-	-	-	-	-
		<u>3,056,034</u>	<u>0</u>	<u>3,056,034</u>	<u>3,869,061</u>	<u>0</u>	<u>3,869,061</u>
Charitable activities							
The Leicestershire and Rutland Hospice		8,098,392	2,860,349	10,958,741	11,519,418	309,291	11,828,709
		<u>8,098,392</u>	<u>2,860,349</u>	<u>10,958,741</u>	<u>11,519,418</u>	<u>309,291</u>	<u>11,828,709</u>
Total expenditure	5	<u>11,154,426</u>	<u>2,860,349</u>	<u>14,014,775</u>	<u>15,388,479</u>	<u>309,291</u>	<u>15,697,770</u>
Profit/(Loss) on investment assets	7	1,284,363	-	1,284,363	(367,638)	-	(367,638)
		<u>1,284,363</u>	<u>0</u>	<u>1,284,363</u>	<u>(367,638)</u>	<u>0</u>	<u>(367,638)</u>
Net income		<u>823,397</u>	<u>(25,213)</u>	<u>798,724</u>	<u>(2,268,484)</u>	<u>102,176</u>	<u>(2,166,308)</u>
Total funds brought forward		<u>19,381,721</u>	<u>3,882,504</u>	<u>23,264,225</u>	<u>21,650,205</u>	<u>3,780,328</u>	<u>25,430,533</u>
Total funds carried forward		<u>20,205,658</u>	<u>3,857,291</u>	<u>24,062,949</u>	<u>19,381,721</u>	<u>3,882,504</u>	<u>23,264,225</u>

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities

The notes on pages 25 to 43 form part of these financial statements.

Consolidated summary Income and expenditure account

	2021 £	2020 £
Gross income of continuing operations	13,529,136	13,899,100
Total expenditure of continuing operations	(14,014,775)	(15,697,770)
Realised gains/(losses) on disposal of investment assets	(247,266)	(370,749)
Net income for the year	<u>(732,905)</u>	<u>(2,169,419)</u>

A detailed analysis of income by source is provided in the statement of financial activities. Detailed analysis of expenditure is provided in the statement of financial activities and in note 5.

Leicestershire and Rutland Organisation for the Relief of Suffering Limited

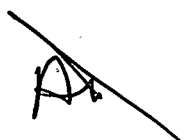
Consolidated balance sheet at 31 March 2021

Company number 01298456	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	6		13,340,606		14,004,550
Investments	7		6,247,678		5,094,529
			<u>19,588,284</u>		<u>19,099,079</u>
Current assets					
Stocks	8	42,437		84,351	
Debtors	9	3,902,252		5,002,762	
Cash at bank and in hand		1,918,094		1,303,887	
		<u>5,862,783</u>		<u>6,391,000</u>	
Creditors: amounts falling due within one year	10	(1,388,118)		(2,225,854)	
Net current assets			<u>4,474,665</u>		<u>4,165,146</u>
Net assets			<u>24,062,949</u>		<u>23,264,225</u>
Funds					
Restricted funds	12		3,857,291		3,882,504
Unrestricted funds:					
- Designated funds	13/14		3,513,071		3,943,666
- Other charitable funds	13		15,035,790		14,818,355
- Revaluation reserve	13		1,656,797		619,700
			<u>24,062,949</u>		<u>23,264,225</u>

The financial statements were approved by the members of the Board of Trustees on 6/9/2021 and signed on its behalf



Robin Graham-Brown
Chairman



Andrew W Stant
Honorary Treasurer

The notes on pages 25 to 43 form part of these financial statements.

Leicestershire and Rutland Organisation for the Relief of Suffering Limited

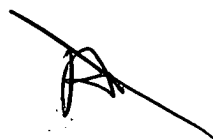
Charity balance sheet at 31 March 2021

Company number 01298456	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	6		13,248,050		13,888,912
Investments	7		6,247,682		5,094,533
			<u>19,495,732</u>		<u>18,983,445</u>
Current assets					
Debtors	9	3,976,971		4,868,971	
Cash at bank and in hand		1,479,324		1,224,595	
		<u>5,456,295</u>		<u>6,093,566</u>	
Creditors: amounts falling due within one year	10	(1,014,310)		(1,868,553)	
Net current assets			<u>4,441,984</u>		<u>4,225,013</u>
Net assets			<u>23,937,716</u>		<u>23,208,458</u>
Funds					
Restricted funds	12		3,857,291		3,882,504
Unrestricted funds:					
- Designated funds	13/14		3,513,071		3,943,666
- Other charitable funds	13		14,910,557		14,762,588
- Revaluation reserve	13		1,656,797		619,700
			<u>23,937,716</u>		<u>23,208,458</u>

The financial statements were approved by the members of the Board of Trustees on 6/9/2021 and signed on its behalf



Robin Graham-Brown
Chairman



Andrew W Stant
Honorary Treasurer

The notes on pages 25 to 43 form part of these financial statements.

Leicestershire and Rutland Organisation for the Relief of Suffering Limited

Consolidated cash flow statement for the year ended 31 March 2021

	2021 £	2020 £
Net cash flow from operating activities	463,994	(1,633,590)
Net cash inflow from investing activities	213,695	570,918
Change in cash and cash equivalents in the year	677,689	(1,062,672)
Cash and cash equivalents at the beginning of the year	1,423,525	2,486,197
Cash and cash equivalents at the end of the year	2,101,214	1,423,525

The notes on page 25 to 43 form part of these financial statements.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Notes to the cash flow statement for the year ended 31 March 2021

1 Cash flows from operating activities

	2021 £	2020 £
Net income per SOFA	798,724	(2,166,308)
(Gain)/LOSS on investment	(1,284,363)	367,638
Net incoming resources	(485,639)	(1,798,670)
Investment income	(111,956)	(157,364)
Depreciation	756,901	765,593
Decrease in stocks	41,914	27,972
Decrease/(Increase) in debtors	1,100,510	(1,192,606)
Loss/(Profit) on sale of assets	-	8,791
(Decrease)/Increase in creditors	(837,736)	712,694
Net cash (outflow)/Inflow from operating activities	463,994	(1,633,590)

2 Cash flow from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(94,207)	(277,098)
Proceeds from sale of tangible fixed assets	1,250	502
Acquisition of listed investments	(965,144)	(1,081,013)
Proceeds of sale of listed investments	1,159,840	736,693
Interest received	111,956	157,364
	213,695	570,918

3 Analysis of changes in cash and cash equivalents

	At 1 April 2020 £	Cash flow £	At 31 March 2021 £
Cash at banks, building societies and in hand	1,303,887	614,207	1,918,094
Cash held as part of investment portfolio	119,638	63,482	183,120
Total bank and cash holding	1,423,525	677,689	2,101,214

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

1 Legal status

The Organisation is a registered charity. Its legal entity is a company limited by guarantee.

2 Accounting policies

The following accounting policies have been used consistently in dealing with items considered material to the charitable group's affairs.

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice 2019. Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the trust's ability to continue as a going concern.

In preparing these financial statements, the Directors have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Trade debtors

At each reporting date, trade debtors are assessed by recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the income statement.

Leases

Determine whether leases entered into by the group after as a lessor or a lessee are an operating lease or finance lease. These decisions depend on assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Investments

The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments at fair value through the Statement Of Financial Activities, the Group follows the International Private Equity and Venture Capital Valuation Guidelines applying the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

2 Accounting policies (*continued*)

Basis of consolidation

The group financial statements consolidate the financial statements of Leicestershire and Rutland Organisation for the Relief of Suffering Limited and its subsidiaries up to 31 March 2020 on a line by line basis. A separate Statement of Financial Activities (SOFA) for the institution alone is not presented because the charity has taken advantage of the provisions of section 408 of the Companies Act 2006.

Fund accounting

Funds held by the charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Incoming resources

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Voluntary income is accounted for when received. Incoming resources represents the amount receivable during the year in respect of donations and legacies.

Legacies are recognised when there is sufficient evidence to provide the necessary certainty that the legacy will be received and the legacy can be measured with sufficient reliability.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Shop income represents the amounts receivable for goods sold to customers and commission receivable on sale of donated goods. It is recognised at the point of sale for retail goods and on dispatch otherwise.

Lottery income represents the amount receivable in respect of lotteries and raffles held during the year and scratch cards sold. Lottery and raffle income is recognised at the point of draw and scratch card income is recognised on a cash basis. Amounts received for future lottery and raffle draws are reserved as income in advance.

Activities furthering charitable objects. Income under health authority and NHS contracts is recognised in the Statement of Financial Activities on a receivable basis.

Where income is received in advance of performance, its recognition is deferred and included in creditors until the contract is performed.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

2 Accounting policies (*continued*)

Resources expenses

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. It is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is allocated directly to charitable expenditure and costs of raising funds. Expenditure is classified under the following activity headings.

- Costs of raising funds include those costs incurred in raising voluntary income, and include the salaries, direct expenditure and overhead costs of the staff who promote fundraising, including events.
- Charitable activities expenditure relates to expenditure on objects of the charity and include direct costs and support costs associated to these activities.

Governance costs represent costs which relate to the general running of the charity including the strategy planning process that contribute to future development, and are included with charitable activities. Support costs have been allocated between fundraising and charitable activities, in proportion to the direct costs of each activity. Where direct allocation is not possible, costs are apportioned over the above headings based on the allocation of staff.

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

Pensions

The Trust makes payments to two defined contribution pension schemes on behalf of qualifying employees. One administered by the NHS Pensions Agency and a stakeholder scheme providing benefits for the employees additional to those from the state. Such contributions are charged in the Statement of Financial Activities when made. The contributions are invested separately from the Trust's assets.

Financial Agreement with the National Health Service

The agreement with the Clinical Commissioning Groups provides for, inter alia, a contribution by them towards the revenue expenditure arising from operating the Hospice, agreed annually prior to the commencement of each financial year.

In addition to the defined contribution pension scheme noted above, the charity contributes to the NHS Superannuation Scheme as a Direction Body. Under the rules of the NHS Superannuation Scheme, Direction Bodies pay employer's contributions to the Scheme, but are not employing authorities for the purposes of the scheme. The NHS Superannuation Scheme is a multi-employer defined benefit scheme, and the charity is unable to identify its share of the underlying assets and liabilities of the scheme, and accordingly sufficient information is not available to enable the charity to account for the scheme as a defined benefit scheme. The charity's contribution to the NHS Superannuation Scheme is therefore treated as defined contribution pension scheme payments. Details of the NHS Superannuation Scheme deficit can be obtained from the official documents website www.official-documents.gov.uk.

Government Grants

Government grants receivable in relation to job retention scheme and retail scheme are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants are shown separately as other income.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

2 Accounting policies (*continued*)

Tangible fixed assets

Tangible fixed assets are included at cost, and other than freehold land, are depreciated on a straight line basis at annual rates calculated to write off their cost over the terms of their useful lives as follows:

Freehold building	-	30 years
Short leasehold property	-	The unexpired period of each lease or such shorter period as is considered appropriate
Computers	-	5 years
Fixtures, furniture and equipment	-	5-10 years
Mini buses	-	5 years
Other motor vehicles	-	4 years

Additions costing less than £500 are written off in the year of purchase.

Freehold land is not depreciated.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis, and includes all direct costs incurred. Net realisable value is based on an estimated selling price allowing for all further costs of disposal.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equal markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Short term deposits represent investments in bank term deposits maturing within one year. Investments in subsidiary companies are stated at cost.

Realised gains and losses

All gains and losses are taken in the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash at bank and cash in hand as well as short term highly liquid investments with a short maturity (recognised within short term investments).

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.

Operating leases

Operating lease rentals are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Corporate tax

The charity is exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Volunteer contribution

Trustees and volunteers provide support to Leicestershire and Rutland Organisation for the Relief of Suffering Limited. It is not practical nor feasible to place a value on the time volunteered by these persons.

3 Donations and legacies

	2021 £	2020 £
Legacies	1,133,113	2,946,131
Covenanted donations and gift aid	154,310	145,081
Donations and gift under the Retail Gift Aid Scheme	144,211	856,812
Other donations, appeals and fund raising events	5,169,962	2,813,941
	<u>6,601,596</u>	<u>6,761,965</u>

In 2021, donations and legacies included £2,835,136 (2020 - £411,467) of restricted income. Included in restricted income is £2,678,292 of COVID-19 grants distributed by Hospice UK on behalf of NHS England to support hospices during the pandemic.

In October 2010 LOROS Enterprises Ltd started acting as an agent selling goods on behalf of customers in return for a commission where the customer has registered for Gift Aid. This has the effect of reducing the turnover of LOROS Enterprise Limited but the income associated with such sales is recorded as a donation by The Leicestershire and Rutland Organisation for the Relief of Suffering Limited.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

4 Investments

	2021 £	2020 £
Bank and building society interest	9,352	14,567
Dividends and interest on investments	102,604	142,797
	<u>111,956</u>	<u>157,364</u>

In 2021, all income (2020 – all income) relating to investments was unrestricted.

5 Analysis of total group resources expended

	Depreciation 2021 £	Staff costs 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Cost of generating funds:					
Shop expenditure	38,549	1,063,423	940,264	2,042,236	2,548,305
Depreciation of shop leases	8,721	-	-	8,721	3,474
Lottery expenditure	2,339	265,224	297,954	565,517	653,649
Fundraising and publicity	58,741	211,206	147,085	417,032	632,117
Investment management fees	-	-	22,528	22,528	31,516
Charitable activities:					
Direct charitable expenditure					
Hospice	648,331	8,217,119	1,973,242	10,838,692	11,710,357
Governance costs	-	98,320	21,729	120,049	118,352
	<u>756,681</u>	<u>9,855,292</u>	<u>3,402,802</u>	<u>14,014,775</u>	<u>15,697,770</u>

Support costs of £86,313 (2020 - £174,181) have all been allocated to the Hospice.

Shop expenditure includes £ 566,009 (2020 - £547,674) in respect of operating leases for land and buildings.

In 2021, other charitable activities included £2,860,349 (2020 - £309,291) of restricted expenditure.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

5 Analysis of total resources expended (continued)

Employees

The average number of full time equivalent employees

	2021	2020
Fund raising and administrative	33	32
Provision of care	208	227
Shops	54	57
Lottery company	11	12
	<u>306</u>	<u>328</u>

The number of employees

Fund raising and administrative	37	37
Provision of care	253	279
Shops	74	76
Lottery company	16	17
	<u>380</u>	<u>409</u>

Staff costs

	£	£
Wages and salaries	8,569,311	9,108,777
Social security costs	691,455	734,754
Pension costs	594,526	612,904
	<u>9,855,292</u>	<u>10,456,434</u>

Included within pension costs are payments to the NHS Superannuation Scheme, a defined benefit scheme. The employer's contribution to this scheme are treated as a defined contribution scheme as disclosed within the accounting policies. Employer's contributions to the scheme in the year amounted to £391,123 (2020 - £400,195), of this amount £NIL (2020 - £NIL) was outstanding at the year-end.

	2021	2020
The number of employees whose emoluments fell within the following bands was:		
In the banding £70,000 - £80,000	1	1
In the banding £90,000 - £95,000	1	-
In the banding £95,000 - £100,000	-	1
	<u>2</u>	<u>2</u>

Auditor's remuneration

	£	£
The amount charged in the year to the group was:		
Statutory audit	25,985	22,766
Other	2,350	2,350
	<u>28,335</u>	<u>25,116</u>

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

6 Tangible fixed assets

Group	At 31 March 2020 £	Additions during the year £	Disposals during the year £	At 31 March 2021 £
<i>Cost</i>				
Leicestershire and Rutland Hospice:				
Freehold land	3,000,000	-	-	3,000,000
Freehold buildings	16,433,185	35,206	(1,470)	16,466,921
Motor vehicles	192,396	-	-	192,396
Fixtures, fittings and equipment	1,186,280	32,474	-	1,218,754
	20,811,861	67,680	(1,470)	20,878,071
Leasehold shop properties	29,279	8,721	-	38,000
Shops – fixtures and fittings	536,618	17,806	-	554,424
Motor vehicles	92,548	-	-	92,548
Lottery company – fixtures and fittings	11,697	-	-	11,697
Total cost	670,142	26,527	-	696,669
Total cost	21,482,003	94,207	(1,470)	21,574,740
	At 31 March 2020 £	Provision in the Year £	Eliminated On disposals £	At 31 March 2021 £
<i>Depreciation</i>				
Leicestershire and Rutland Hospice:				
Freehold buildings	6,129,716	589,780	(220)	6,719,276
Motor vehicles	148,506	24,277	-	172,783
Fixtures, fittings and equipment	644,727	93,235	-	737,962
	6,922,949	707,292	(220)	7,630,021
Leasehold shop properties	29,279	8,721	-	38,000
Shops – fixtures and fittings	469,090	24,509	-	493,599
Motor vehicles	51,315	14,040	-	65,355
Lottery company – fixtures and fittings	4,820	2,339	-	7,159
	554,504	49,609	-	604,113
Total depreciation	7,477,453	756,901	(220)	8,234,134
Net book value	14,004,550	(662,694)	(1,250)	13,340,606

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

6 Tangible fixed assets (*continued*)

Company	At 31 March 2020 £	Additions during the year £	Disposals during the year £	At 31 March 2021 £
<i>Cost</i>				
Leicestershire and Rutland Hospice:				
Freehold land	3,000,000	-	-	3,000,000
Freehold buildings	16,433,185	35,206	(1,470)	16,466,921
Motor vehicles	192,396	-	-	192,396
Fixtures, fittings and equipment	1,186,280	32,474	-	1,218,754
	<hr/>	<hr/>	<hr/>	<hr/>
	20,811,861	67,680	(1,470)	20,878,071
	<hr/>	<hr/>	<hr/>	<hr/>
Leasehold shop properties	29,279	8,721	-	38,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total cost	20,841,140	76,401	(1,470)	20,916,071
	<hr/>	<hr/>	<hr/>	<hr/>
	At 31 March 2020 £	Provision in the Year £	Eliminated on disposals £	At 31 March 2021 £
<i>Depreciation</i>				
Leicestershire and Rutland Hospice:				
Freehold buildings	6,129,716	589,780	(220)	6,719,276
Motor vehicles	148,506	24,277	-	172,783
Fixtures, fittings and equipment	644,727	93,235	-	737,962
	<hr/>	<hr/>	<hr/>	<hr/>
	6,922,949	707,292	(220)	7,630,021
	<hr/>	<hr/>	<hr/>	<hr/>
Leasehold shop properties	29,279	8,721	-	38,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total depreciation	6,952,228	716,013	(220)	7,668,021
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value	13,888,912	(639,612)	(1,250)	13,248,050
	<hr/>	<hr/>	<hr/>	<hr/>

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

7 Fixed asset investment

	2021 £	2020 £
Group and company Investments		
Market value at 1 April 2020	4,974,891	6,032,679
Additions at cost	965,143	659,852
Disposals at proceeds	(1,159,840)	(1,350,002)
Net gain/(Loss) on revaluation	1,284,363	(367,638)
Acquisition of share in subsidiary company	1	-
	<hr/>	<hr/>
Market value at 31 March 2021	6,064,558	4,974,891
	<hr/>	<hr/>
Historical cost at 31 March 2021	4,140,154	4,267,861
	<hr/>	<hr/>
Historical cost at 1 April 2020	4,267,861	4,212,284
	<hr/>	<hr/>
<i>Investments comprise:</i>		
Listed investments in the UK	3,606,556	2,875,643
Listed investments outside the UK	2,208,009	1,724,248
Land and property held as investment	249,992	375,000
Cash and settlements pending	183,120	119,638
Acquisition of share in subsidiary company	1	-
	<hr/>	<hr/>
Total	6,247,678	5,094,529
	<hr/>	<hr/>
Group		
Quoted investments	5,814,565	4,599,891
Cash and settlements pending	183,120	119,638
Investment Property	249,992	375,000
	<hr/>	<hr/>
	6,247,678	5,094,529
	<hr/>	<hr/>
Company		
Quoted investments	5,814,565	4,599,891
Cash and settlements pending	183,120	119,638
Investment Property	249,992	375,000
Investments in subsidiary companies	5	4
	<hr/>	<hr/>
	6,247,682	5,094,533
	<hr/>	<hr/>

All investments are carried at their fair value.

Investment in equities and fixed interest securities are all traded in quoted public markets. Holdings in common investment funds, unit trusts and open ended investment companies are at the bid price. The basis at fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

7 Fixed asset investment (*continued*)

The fair value of the properties at has been determined by independent advisors and the Trustees have applied this valuation at 31st March 2021

The significance of financial instruments to the ongoing financial sustainability of the Hospice is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report, The main risk to the Hospice from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so there ability to buy and sell quoted equities and stock is anticipated to continue. The Hospice's investments are mainly traded in markets with good liquidity and high trading volumes.

The Hospice has no material investment holdings in markets subject to exchange controls or trading restrictions. The Hospice does not make use of derivatives and similar complex financial instruments as it takes the View that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corroded.

No investments held represents more than 5% of the total portfolio valuation at the year end.

Investments in subsidiary companies

The charity owns the whole of the ordinary share capital of LOROS Enterprises Limited (2 ordinary shares of £1 each), LOROS Lotteries Limited (2 ordinary shares of £1 each) and LOROS Commercial Innovations Limited (1 ordinary share of £1). All are incorporated in Great Britain and registered in England and Wales and have been established to carry on trading activities on its behalf.

LOROS Enterprises Limited operates a chain of shops selling items donated from the public, giftware and cards.

LOROS Lotteries Limited operates a lottery for members of the public.

LOROS Commercial Innovations Limited operates external catering operations for members of the public.

All companies covenant any taxable profits to LOROS and also pay interest on any loans from LOROS.

LOROS Commercial Innovations Limited was incorporated on 16th December 2020 as the vehicle to acquire the business of Peppercorns Catering Limited, who ran Café's in Leicestershire. The results of LOROS Commercial Innovations Limited from incorporation to 31st March 2021 are not consolidated in these accounts due to the short accounting period.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

7 Fixed asset investment (continued)

A summary of their trading results is shown below

	LOROS Enterprises Limited 01944436 £	LOROS Lotteries Limited 03179552 £	Total £
Company registered number			
Profit and loss account			
Turnover	1,017,194	1,317,780	2,334,974
Cost of sales	(101,110)	(228,926)	(330,036)
Gross profit	916,084	1,088,854	2,004,938
Administration expenses	(1,944,155)	(336,703)	(2,280,858)
Other Operating Income	1,225,677	38,933	1,264,610
Rental Income	5,536	-	5,536
Interest received	203,142 127	791,084 114	994,226 241
Profit before tax	203,269	791,198	994,467
Covenant to LOROS	(200,000)	(725,000)	(925,000)
Profit for the year	3,269	66,198	69,467

Upon consolidation an inter-company recharge of £185,634 (2020 - £541,412) relating to retail gift and management fee, charged by LOROS Enterprises Limited has been eliminated.

The aggregate amounts of the companies' assets, liabilities, share capital and reserves were:

	LOROS Enterprises Limited £	LOROS Lotteries Limited £	Total £
Assets	426,177	346,539	772,716
Creditors: amounts fall due within one year	(373,872)	(273,607)	(647,479)
	52,305	72,932	125,237
Represented by share capital and reserves	52,305	72,932	125,237

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

8 Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Goods for resale	42,437	84,351	-	-

9 Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts due from subsidiary undertakings	165,006	-	405,906	59,228
Other debtors	3,624,724	4,472,441	3,458,835	4,284,245
Trade debtors	112,522	530,321	112,230	525,498
	<u>3,902,252</u>	<u>5,002,762</u>	<u>3,976,971</u>	<u>4,868,971</u>

10 Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts due to subsidiary undertakings	-	-	-	174,426
Payments in advance	531,513	977,440	349,203	741,325
Trade creditors	398,735	619,101	276,626	501,249
Taxation and social security	188,907	287,167	218,902	265,272
Other creditors and accruals	268,963	342,146	169,580	186,281
	<u>1,388,118</u>	<u>2,225,854</u>	<u>1,014,311</u>	<u>1,868,553</u>

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

11 Commitments

Group	Land and buildings 2021 £	Other 2020 £	Land and Buildings 2020 £	Other 2019 £
Operating leases which expire:				
Within one year	222,919	-	249,658	-
In the second to fifth years inclusive	243,223	-	543,175	-
Over five years	-	-	-	-
	<u>466,142</u>	<u>-</u>	<u>792,833</u>	<u>-</u>
Company	Land and Buildings 2021 £	Other 2020 £	Land and Buildings 2020 £	Other 2019 £
Operating leases which expire:				
Within one year	222,919	-	249,658	-
In the second to fifth years inclusive	243,223	-	543,175	-
Over five years	-	-	-	-
	<u>466,142</u>	<u>-</u>	<u>792,833</u>	<u>-</u>

At the year end, the group had capital commitments in relation to the construction of land and buildings of £268,743 (2020 - £NIL).

During the year total lease payments of £566,009 (2020 - £547,654) are recognised as an expense.

12 Restricted funds

Group and company	Balance at 31 March 2020 £	Incoming resources £	Outgoing Resources £	Balance at 31 March 2021 £
Capital building fund	3,384,022	-	(84,118)	3,299,904
Hospice	498,482	2,835,136	(2,776,231)	557,387
	<u>3,882,504</u>	<u>2,835,136</u>	<u>(2,860,349)</u>	<u>3,857,291</u>
Group and company	Balance at 31 March 2019 £	Incoming resources £	Outgoing Resources £	Balance at 31 March 2020 £
Capital building fund	3,468,140	-	(84,118)	3,384,022
Hospice	312,188	411,467	(225,173)	498,482
	<u>3,780,328</u>	<u>411,467</u>	<u>(309,291)</u>	<u>3,882,504</u>

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

12 Restricted funds (continued)

The Capital building fund comprises capital raised in order to fund extensions to the hospice. The fund is represented by tangible fixed assets and the movement on the fund represents the depreciation charge.

The hospice fund was established in 1997 from donations in order to fund hospice equipment. Resources expended represent items purchased and depreciation charged on the fixed assets.

The trustees consider that the capital funds should continue to be treated as restricted, even after the completion of the buildings to which they relate.

13 Unrestricted funds

Group	Balance at 31 March 2020 £	Net income/ (expenditure) £	Transfers £	Balance at 31 March 2021 £
Other charitable funds	14,818,355	(29,831)	247,266	15,035,790
Designated funds (see note 14)	3,943,666	(430,595)	-	3,513,071
Revaluation reserve	619,700	1,284,363	(247,266)	1,656,797
	<u>19,381,721</u>	<u>823,937</u>	<u>-</u>	<u>20,205,658</u>
Group	Balance at 31 March 2019 £	Net income/ (expenditure) £	Transfers £	Balance at 31 March 2020 £
Other charitable funds	15,919,352	(1,471,746)	370,749	14,818,355
Designated funds (see note 14)	4,372,766	(429,100)	-	3,943,666
Revaluation reserve	1,358,087	(367,638)	(370,749)	619,700
	<u>21,650,205</u>	<u>(2,268,484)</u>	<u>-</u>	<u>19,381,721</u>

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

13 Unrestricted funds (*continued*)

Company	Balance at 31 March 2020 £	Net income/ (expenditure) £	Transfers £	Balance at 31 March 2021 £
Other charitable funds	14,762,588	(99,297)	247,266	14,910,557
Designated funds (see note 14)	3,943,666	(430,595)	-	3,513,071
Revaluation reserve	619,700	1,284,363	(247,266)	1,656,797
	<u>19,325,954</u>	<u>754,471</u>	<u>-</u>	<u>20,080,425</u>
Company	Balance at 31 March 2019 £	Net income/ (expenditure) £	Transfers £	Balance at 31 March 2020 £
Other charitable funds	15,881,851	(1,490,012)	370,749	14,762,588
Designated funds (see note 14)	4,372,766	(429,100)	-	9,943,666
Revaluation reserve	1,358,087	(367,638)	(370,749)	619,700
	<u>21,612,704</u>	<u>(2,286,750)</u>	<u>-</u>	<u>19,325,954</u>

Other charitable funds represent the free funds of the Charity which are not designated for particular purposes.

Revaluation reserve represents the cumulative unrealised gains on the increase in the market value of fixed asset investments. Upon disposal previously unrealised (gains)/losses are transferred to other charitable funds.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

14 Designated funds

Group and company

The funds of the charity include the following designated funds which has been set aside out of unrestricted funds by the trustees for a specific purpose.

	Balance at 31 March 2020 £	Utilised £	Transfers £	Balance at 31 March 2021 £
Capital building fund	3,943,666	(430,595)	-	3,513,071
	Balance at 31 March 2019 £	Utilised £	Transfers £	Balance at 31 March 2020 £
Capital building fund	4,372,766	(429,100)	-	3,943,666

The capital building funds relates to the construction of the new LOROS Professional Development Centre and the extension to the Day Therapy and Outpatients Centre.

15 Analysis of group net assets between funds

	Restricted Funds			
	Unrestricted funds £	Capital building fund £	Hospice £	Total Funds £
Fund balance as at 31 March 2021 are represented by:				
Tangible fixed assets	15,730,993	3,299,904	557,387	19,588,284
Current assets	5,862,783	-	-	5,862,783
Current liabilities	(1,388,118)	-	-	(1,388,118)
Total net assets	20,205,658	3,299,904	557,387	24,062,949

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

15 Analysis of group net assets between funds (continued)

	Unrestricted funds £	Restricted funds Capital building fund £	Hospice £	Total Funds £
Fund balance as at 31 March 2020 are represented by:				
Tangible fixed assets	16,960,096	2,966,214	814,114	20,740,424
Current assets	6,203,269	-	-	6,203,269
Current liabilities	(1,513,160)	-	-	(1,513,160)
Total net assets	21,650,205	2,966,214	814,114	25,430,533

16 Related party transactions and trustees' expenses and remuneration

The Leicestershire & Rutland Organisation for the Relief of Suffering Limited wholly owns its subsidiary companies LOROS Lotteries Limited and LOROS Enterprises Limited. During the year LOROS Lotteries Ltd covenanted to the charity £725,000 (2020 - £710,000). During the year LOROS Enterprises Ltd covenanted to the charity £200,000 (2020 - £280,000). At the year end the amount due by LOROS Lotteries Ltd was £77,379 (2020 due to - £174,426), due from LOROS Enterprises Ltd was £157,091 (2020 - £59,228) and due from LOROS Commercial Innovations Ltd was £165,006 (2020 - Nil)

During the year the charity made purchases of £35,920 (2020 - £35,996) from Berkeley Insurance Group. T Maxted, a Trustee of the charity, is a director of the company. £Nil (2020 - £Nil) was due to them at the year end.

The charity consider the key management personnel to comprise of the Trustees, The Chief Executive Officer, the Consultant in Palliative Medicine, the Director of Care Services, the Director of Strategy, the Director of Education and Workforce, the Director of Income Generation & Business Development and the Director of Finance. The total employee benefits of the key management personnel of the charity were £407,936 (2020 - £391,490).

The Trustees all give freely their time and expertise without any form of remuneration of other benefit in cash or kind (2020 - £Nil). Expenses paid to the Trustees in the year totalled £Nil (2020 - £Nil).

Trustees indemnity insurance of £2,829 (2020 - £3,739) has been paid during the year.

17 Controlling entity

In the opinion of the trustees the entity has no controlling entity.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

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

18 Financial instruments

The Group's financial instruments may be analysed as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial Assets				
Financial assets that are measured at fair value through the SOFA	6,247,678	5,094,529	6,247,678	5,094,533
Financial assets that are debt instruments measured at amortised cost	3,452,939	4,592,829	3,692,609	4,646,338
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Financial liabilities				
Financial liabilities measured at amortised cost	667,698	961,247	446,206	861,956
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Financial assets measured at fair value through the statement of financial activities comprise fixed asset investments in a trading portfolio of listed company shares.

Financial assets that are debt instruments are measured at amortised cost comprise trade debtors, other debtors, accrued income and amounts due from subsidiary undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

On 29th October 2020, the company sold land it had been bequeathed near the village of Harby, Melton Mowbray, Leicestershire. The sale included an overage provision, whereby, for 30 years from and including the date of sale, the company is entitled to 30% of any proceeds in excess of the sale price of £215,000. Therefore, the company maintains a contingent asset in the land.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Detailed expenditure analysis for the year ended 31 March 2021

	2021 £	2020 £
Provision of Care		
The Leicestershire and Rutland Hospice:		
Salaries and related costs	8,373,968	8,664,214
Recruitment and training	85,979	103,184
Medical supplies	426,924	558,022
Insurance	52,403	43,464
Heat, light and water	109,156	112,776
Telephone and postage	55,281	66,913
Stationery and other office expenses	101,545	119,812
Travelling expenses	17,587	59,752
Food costs (net of non-patent takings)	80,336	122,142
Laundry	31,224	30,256
Maintenance	359,546	531,228
Chaplaincy	66,541	125,758
Counselling service	226,358	212,636
Sundries	15,157	26,269
Research expenditure	34,691	42,818
Seminars	32,536	41,206
RGA commission	2,340	13,781
Loss on disposal of fixed assets	-	8,266
	10,071,572	10,882,497
Depreciation	605,795	624,439
	10,677,367	11,506,936

The above information does not form part of the audited statutory accounts and is included solely for the information of the management.

Leicestershire & Rutland Organisation for the Relief of Suffering Limited

Detailed expenditure analysis for the year ended 31 March 2021 (*continued*)

	2021 £	2020 £
Provision of Care (continued)		
Fundraising and Publicity		
Recruitment and training	1,550	3,993
Salaries and related costs	211,206	223,490
Maintenance	-	815
Telephone and postage	271	359
Stationery	-	5,029
Travelling expenses	338	5,832
Sundry expenses	1,793	4,084
General appeal and promotional expenses	143,133	333,805
Depreciation	58,741	54,710
	417,032	632,117
Support costs		
Recruitment and training	5,276	17,576
Salaries and related costs	54,622	57,799
Telephone and postage	196	260
Stationery	-	3,641
Other office expenses	1,298	2,957
Legal consultancy fee	27,157	41,057
Depreciation	42,536	39,617
Bad debts	730	(150)
Bank charges	29,510	40,664
	161,325	203,421
Governance costs		
Audit, accountancy and professional fees	18,900	10,575
Salaries and related costs	98,320	104,038
Trustees indemnity insurance	2,829	3,739
	120,049	118,352

The above information does not form part of the audited statutory accounts and is included solely for the information of the management.