

# HOSPICE OF THE VALLEYS

England & Wales · Charity number 517724

## Details

---

Other names	HOSPICE OF THE MARCHES, HOSBIS Y CYMOEDD, VALLEYS CANCER CARE
Status	Registered
Legal form	Charitable company
Company number	<a href="#">02007005</a>
Registered	1986-07-07
Register	<a href="#">View on the Charity Commission register</a>

## Contact

---

Address	Hospice of the Valleys Festival Drive Ebbw Vale NP23 8XF
Phone	01495 717277
Email	<a href="mailto:enquiries@hospiceofthevalleys.com">enquiries@hospiceofthevalleys.com</a>
Website	<a href="http://www.hospiceofthevalleys.org.uk">www.hospiceofthevalleys.org.uk</a>

## Activities

---

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

**Activities:** To provide a community Hospice and specialist palliative care service to the population of Blaenau Gwent.

## Classification

---

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** Children/young People, Elderly/old People, The General Public/mankind

## Geography

- Blaenau Gwent
- Caerphilly
- Merthyr Tydfil
- Rhondda Cynon Taff
- Torfaen

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,087,155	£2,265,646	£5,725,844	51
2024-03-31	£1,834,428	£2,134,892	£6,074,774	48
2023-03-31	£1,868,321	£2,123,444	£6,405,006	51
2022-03-31	£1,696,867	£1,971,933	£7,489,115	51
2021-03-31	£1,898,646	£1,772,568	£7,580,462	42

## Trustees

Name	Role	Appointed
<b>Michael Bobbett</b>	Chair	2023-11-09
Andrew Cooper		2024-11-14
Dr Arthur Frank Turner		2024-11-14
Dr Joshua Thomas-Parr		2025-01-27
Dr Michael Jean Childs		2024-11-14
Kevan Lines		2024-11-14
Mathew Morris-Parker		2018-09-25
Rhys Hutchings		2026-05-01
Verly Louise Inglis		2023-03-20

**HOSPICE OF THE VALLEYS**

England & Wales - Charity number 517724

---

# Accounts

---

Company registration number: 02007005

Charity registration number: 517724

# The Hospice Of The Valleys

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2025

HSJ Audit Limited  
Statutory Auditor  
Severn House  
Hazell Drive  
Newport  
South Wales  
NP10 8FY

## **The Hospice Of The Valleys**

### **Contents**

Trustees Annual Report	1 to 16
Independent Audit Report	17 to 19
Statement of Financial Activities	20 to 21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements	24 to 42

# **The Hospice Of The Valleys**

## **Trustees Annual Report**

### **Structure, Governance and Management**

The Trustees/directors are pleased to present their report and financial statements for the year ended 31st March 2025, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

#### Governing Document

The charity is a charitable company limited by guarantee, incorporated on 4th April 1986. It is governed by a memorandum and articles of association and does not have a share capital. The limited company registration number is 02007005. The company is a registered charity under the Charity Commission, reference number 517724.

#### Appointment of Trustees / Directors

The Directors of the company are also charity trustees for the purpose of charity law, and under the company's Articles are known as the Council of Trustees (The Trustees). As set out in the Articles the number of members of the council shall not be less than five nor more than ten.

Trustees are appointed by the board of trustees in accordance with the Hospice's procedure on appointment of new trustees. Trustees appointed in the year are interviewed by the Chairman prior to being elected by the Board of Trustees. Such appointments are ratified by the members at the next General Meeting. Trustees must sign an undertaking that they are fit to serve (i.e., meet specific requirements).

Trustees serve for six years after which this may be renewed by the members at the next General Meeting.

#### Organisational Structure

The Hospice is managed by a board of trustees of between five and ten members who meet quarterly. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

#### Key Management and Employees Remuneration

Hospice of the Valleys recognises that it must ensure staff are rewarded appropriately for their work and dedication. It is also necessary to ensure competitive rates of pay and benefits are maintained to ensure retention and recruitment of the best calibre staff to deliver the Charity's objectives.

The Board has agreed a Hospice pay scale that encompasses all staff. This scale is based on the NHS Agenda for Change pay scale and is currently applied to all staff, with the exception of retail staff remuneration who are currently bench-marked against equivalent roles in the retail sector.

The Board of Trustees must approve any pay increase for all staff at its budget setting meeting in Feb/March each year before they are implemented. The level of pay is set on joining the Hospice. Movements within the scale and any increases are subject to performance, professional development and length of service and are decided by the Chief Executive.

Whilst the Hospice seeks to maintain equivalence with prevailing nationally negotiated conditions of pay it cannot be bound by their agreements. Cost of living and other salary increases are discretionary and subject to funding constraints.

The Hospice is a Direction Employer under the NHS Pension scheme and qualifying staff are eligible to join this scheme on employment with the Hospice. For other staff the Hospice has a stakeholder pension scheme into which it contributes 5% of salary. All non-NHS pension staff are auto enrolled into this scheme on employment with the Hospice.

# The Hospice Of The Valleys

## Trustees Annual Report

### Risk Management Statement and Background

The Board of trustees has responsibility for overseeing risk management within Hospice of the Valleys. It has a fundamental role in ensuring that a culture of risk management is embedded throughout the charity by setting the tone and defining the appetite for risk. The Board ensures that all risks are assessed against the ability to achieve the charity's mission and strategic objectives. This is done both at Board meetings and within the sub-committees.

Risks are identified and controls and mitigating actions closely monitored on a regular basis. The table below describes the key risks to the organisation identified by the Board of Trustees of Hospice of the Valleys.

RISK AREA	POTENTIAL IMPACT	MITIGATIONS
Reserve portfolio value reduces in value and dividends decrease, resulting in reduced ability to draw down in the future.	<ul style="list-style-type: none"> <li>• Direct impact on the volume of services we could deliver.</li> <li>• Limit innovation and future planning.</li> <li>• Failure to meet the needs of the local population.</li> </ul>	<ul style="list-style-type: none"> <li>• Close monitoring of the investment portfolio.</li> <li>• Regular updates from investment manager.</li> <li>• Review how the portfolio is managed and by whom.</li> <li>• Cost centre reporting and monitoring.</li> <li>• Regularly updated cashflow forecasting.</li> </ul>
Expenditure is greater than income. Eating away at reserves or cutting back on services that the charity is able to offer in the long term.	<ul style="list-style-type: none"> <li>• Depletion of reserves.</li> <li>• Services would have to be cut leading to reduction in staffing.</li> <li>• Remote working.</li> </ul>	<ul style="list-style-type: none"> <li>• Diversification of income generation activities.</li> <li>• Invest in and deliver on our Retail Strategy.</li> <li>• Work with colleagues in Hospices Cymru to lobby and work with Welsh Government to get a sustainable funding settlement.</li> <li>• Clear cashflow forecasting.</li> <li>• Managing of expenditure budget to maximise existing resources</li> <li>• Seek opportunities for partnership working.</li> <li>• Engage with Health Board to explore funding for elements of our services beyond the ringfenced palliative care allocation.</li> <li>• Have clear cost-saving. Service reduction plans in place to implement if needed.</li> </ul>
Inability to retain, recruit and develop staff and volunteers.	<ul style="list-style-type: none"> <li>• This would impact on our ability to meet commitments for funded and self-funded services and to meet the holistic demands and needs of the local population.</li> <li>• Reputational damage amongst the local population and commissioners.</li> </ul>	<ul style="list-style-type: none"> <li>• Benchmarking pay to Agenda for Change to remain competitive in the marketplace.</li> <li>• Protecting the training budget to allow the development of staff initiatives and Continual Professional Development across all roles.</li> <li>• Clear 1:1, annual IPR processes, updated role descriptions and HR management training.</li> <li>• Mirroring the national and industry standards of competencies.</li> </ul>

# The Hospice Of The Valleys

## Trustees Annual Report

		<ul style="list-style-type: none"><li>• Proactive PR about our work and opportunities to be involved.</li><li>• Engage and support the Staff Wellbeing Group and activities.</li></ul>
--	--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

### Objectives and Activities

The principal activity of the company in the year under review was that of a Hospice and specialist palliative care service.

The aims of its service are to benefit the public through the following objectives:

- To practice holistic Hospice care, addressing all the patient's needs, physical, spiritual, social and emotional.
- To support families so well that they are enabled to care for dying relatives at home to the end.
- To maximise patients' autonomy.
- To establish a model of Hospice care that is recognised locally, nationally and internationally as being of the highest standards. To teach about our methods.
- To care for patients from first diagnosis of a life-threatening illness through to cure or death. To support carers throughout this time, and in bereavement as long as necessary.

To achieve these aims the Hospice aims to be a Specialist Palliative Care Provider – Consultant-Led with a team of highly trained and skilled clinicians, social workers and other professionals.

The Hospice has embarked upon the development of a new 3-year strategy over the last 6 months with the support of staff at the Swansea University Business School. The current strategy has been rolled forward into 2025/26 whilst the new priorities and methods of implementing and monitoring the new strategy are developed.

The Hospice now benefits from the support of 200 volunteers. A large proportion of these help us to fundraise by manning our six shops, driving our van, and helping at fundraising events. Volunteers also help at our clinics welcoming new patients and providing refreshments.

The value of volunteers is an invaluable resource in terms of the outstanding contribution made by them and would cost the charity in excess of £300K annually if the volunteer hours and activities were fulfilled by paid staff.

### How our activities deliver public benefit

The Trustees have had regard to Charity Commission guidance on public benefit. Our objects and funding limit the services we provide to those residents in Blaenau Gwent. We deliver public benefit via the following activities:

- Hospice of the Valleys provides community-based Specialist Palliative Care to the people of Blaenau Gwent who are suffering from a life limiting illness, their families and carers.
- We also provide a Hospice at Home service where patients can have Healthcare Assistants in their home during the night and in the day.
- Our staff work in collaboration with other Healthcare Professionals to ensure patients always receive appropriate, high-quality care when needed.
- We always strive to ensure patients are cared for in their preferred place of care which may be their own home.
- People with a life-limiting illness can be referred to Hospice of the Valleys and access any of the services provided by the Charity.
- Services are provided free-of charge to patients and their families/carers.
- Hospice of the Valleys is at the heart of the Community providing employment, volunteering opportunities and many public events and activities.

# The Hospice Of The Valleys

## Trustees Annual Report

### Chairman's Summary

The past 12 months have been a period of consolidation and steady progress for Hospice of the Valleys. The improvements and developments introduced in recent years are now firmly embedded and have been warmly received by those we support.

We were pleased to welcome new trustees, whose energy and expertise have complemented the existing Board. Their contribution has helped to strengthen our strategic direction and ensure that the charity is well placed to respond to the challenges and opportunities ahead.

A particular highlight of the year was the record-breaking achievement of our Income Generation Team, who raised over £1 million. This success reflects the strength of having a diverse range of fundraising activities that spread risk and maximise opportunities for people to engage with our hospice. It also demonstrates, once again, the generosity and commitment of our local community – whether through direct donations, shopping with us, playing our lottery, attending events, or sponsoring activities through local businesses. We are deeply grateful for this support.

At a national level, we worked alongside our colleagues in Hospices Cymru to negotiate with Welsh Government for a one-off payment to the sector. This funding provided vital support in offsetting some of the additional costs associated with the cost-of-living crisis and Agenda for Change salary increases, which have had a profound impact on hospice budgets across Wales. Receiving this payment in the final month of the financial year made a significant difference to our overall position and underlines the importance of ongoing dialogue with government and commissioners.

Looking ahead, we remain focused on building upon this recognition of the sector's value. We continue to work closely with the Joint Commissioning Committee to progress towards a sustainable funding agreement that will safeguard services and enable us to meet the growing and complex needs of our community.

### Partnership Working

Hospice of the Valleys has a long tradition of working in partnership and a strong track record of collaborating with others to achieve the best outcomes for local families. The majority of our services are delivered in people's homes, and we know that we are rarely the only professionals providing support. By working together with other organisations, we can ensure a more coordinated approach, improve outcomes, and enhance the overall experience for patients and families.

Recognising this, partnership working was identified as a key priority in our current strategy. Much of the first year was devoted to laying the groundwork, and we are now beginning to see the positive results of that effort. A number of significant initiatives highlight the strength of our collaborative approach:

#### **"Your Time, Your Choice" Project**

Delivered in partnership with Age Connect Torfaen and funded by AMSER (Carers Trust) Wales, this project offers carers tailored options of support to meet their individual needs. It has already exceeded its original targets, addressing levels of previously unmet demand. Due to its success, the funder has extended the project for a further 12 months.

#### **Hospital Admission Avoidance Project (HAAP)**

In collaboration with Aneurin Bevan University Health Board (ABUHB) and funded by the Regional Integration Fund (RIF), HAAP provides overnight healthcare assistant support to help people remain in their preferred place of care during times of crisis. By preventing unnecessary hospital admissions, this service aligns with patient wishes and has been running successfully since 2001.

#### **In-Reach Service at Ysbyty Aneurin Bevan**

Our innovative in-reach model, developed over several years, ensures palliative patients are managed together on one ward. Hospice of the Valleys provides an Advanced Nurse Practitioner (ANP) who works alongside medical colleagues to deliver high-quality, cost-effective care. This approach supports NHS Wales's *Care Closer to Home* goals by making it easier for families to visit and for patients to be discharged back into the community.

# The Hospice Of The Valleys

## Trustees Annual Report

### Hospital Carers Hubs

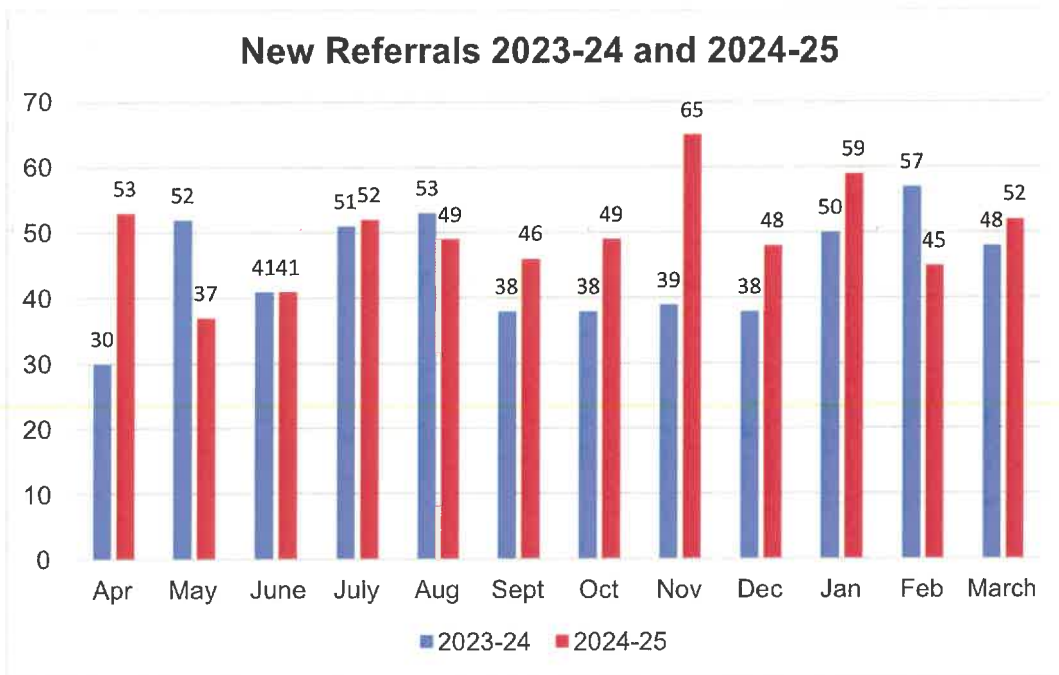
Also based at Ysbyty Aneurin Bevan, our Carers Hub provides information, signposting and practical support for unpaid carers. Working as part of a network of hubs across the ABUHB area, we collaborate with other organisations to ensure carers receive consistent and accessible support.

### Palliative Pioneers: Centres of Excellence with Hallmark Luxury Care Homes

Our partnership with Hallmark Luxury Care Homes has continued to flourish, creating two centres of excellence in palliative and end-of-life care at Greenhill Manor, Merthyr Tydfil, and Henley Manor, Henley-on-Thames. This collaboration has improved the quality of care by integrating hospice expertise with residential care, enhancing staff skills, and supporting families through difficult times. The partnership was recognised nationally, with both organisations jointly presenting at the 2024 Hospice UK Conference in Glasgow.

### Clinical Activity

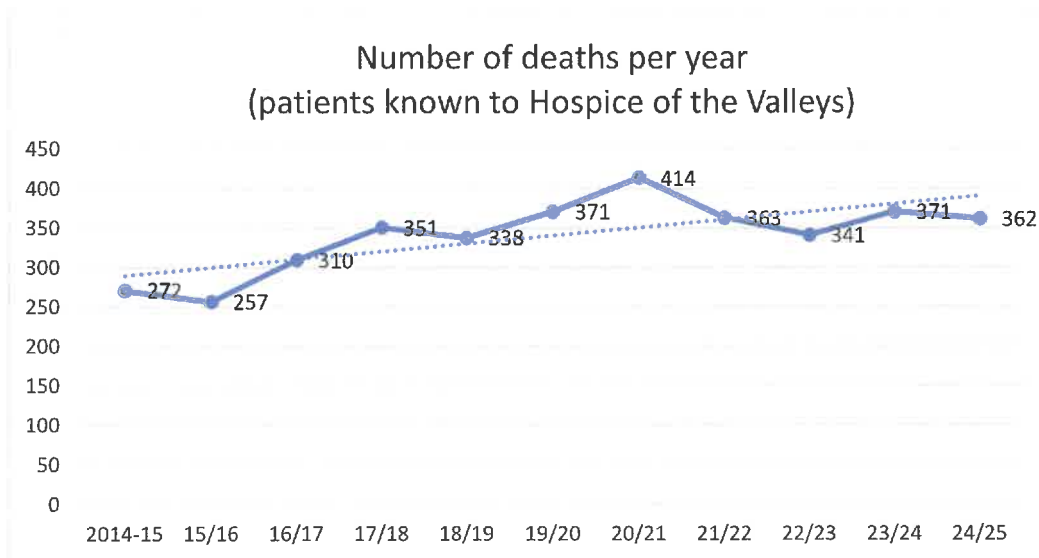
#### Community Nursing Service



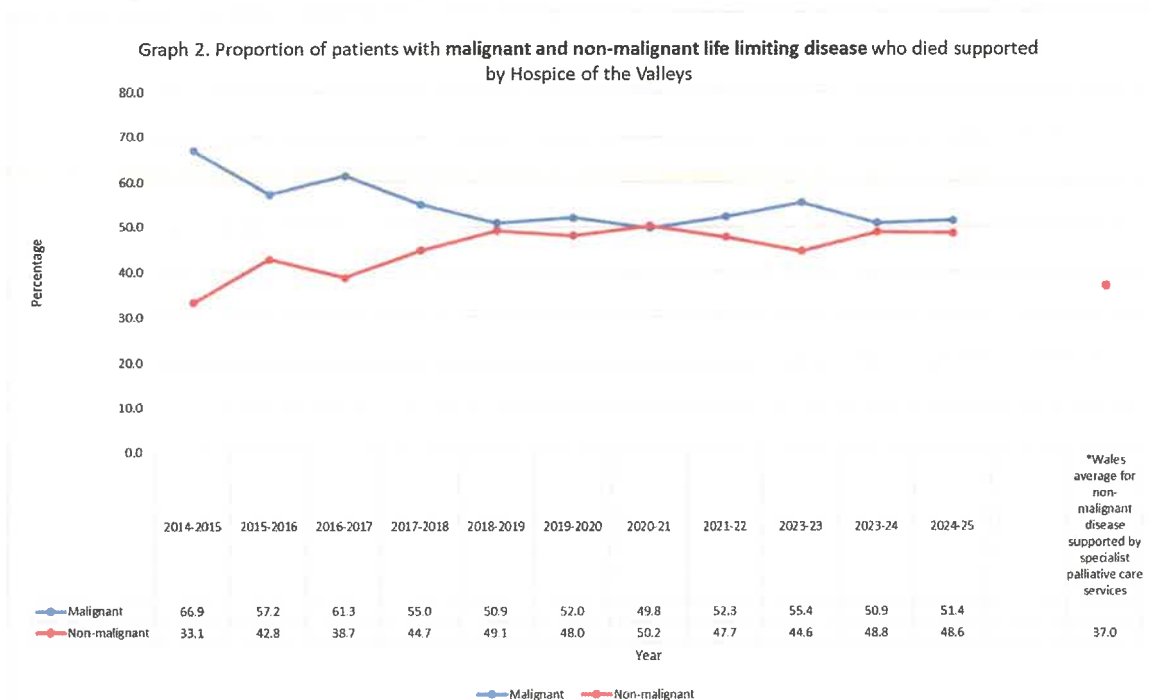
Over the past year, the number of patients supported by Hospice of the Valleys has continued to grow, reflecting the expansion of our services and the increasing complexity of local need. The introduction of our *Living Well* service has been a key factor, enabling us to support people with less complex needs, or those with a curative prognosis, for a short period following diagnosis. This early intervention helps people manage the acute psychological impact of illness, giving them the tools and support they need at a critical time. Once their goals are met, patients are discharged, with the option of being re-referred if their condition later deteriorates.

# The Hospice Of The Valleys

## Trustees Annual Report



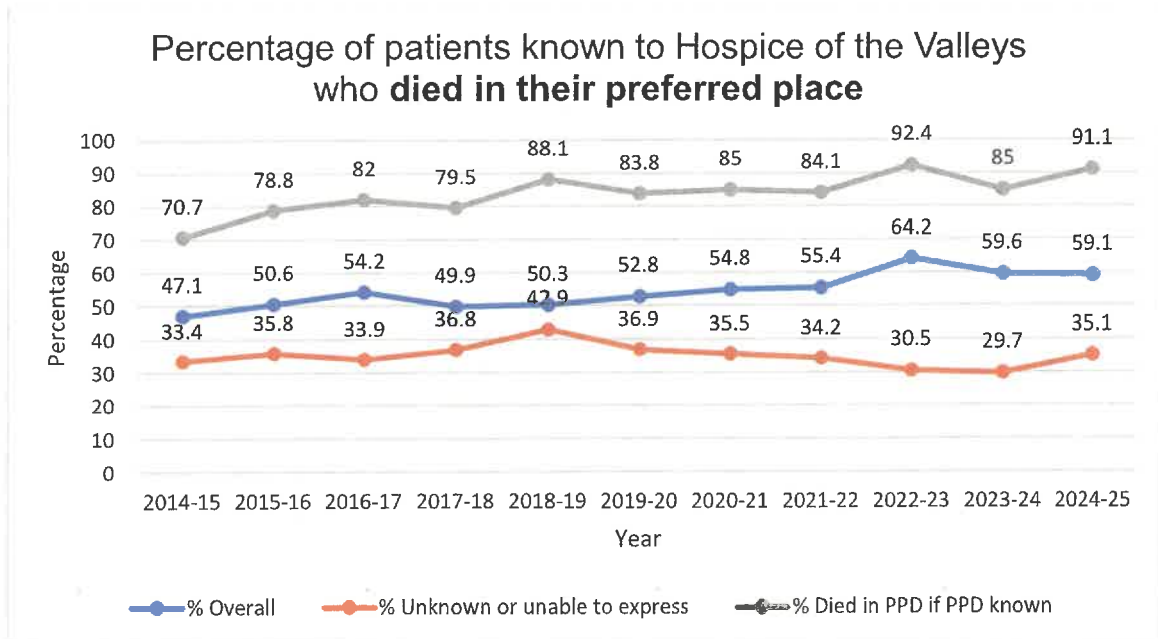
In total, 362 people received specialist end-of-life care from the hospice during the year. Our support extends beyond patients to their families, with our Family Support Team providing bereavement services, including individual counselling and group sessions, to help loved ones navigate grief and loss



# The Hospice Of The Valleys

## Trustees Annual Report

The profile of our patients has also changed significantly since the charity was founded in the 1990s. Where once nearly all patients were living with a cancer diagnosis, today around half of those we support have other life-limiting conditions such as respiratory disease, heart and liver conditions, neurological disorders, and dementia. This shift demonstrates the growing importance of specialist palliative care across a wide range of diagnoses.



Central to our approach is ensuring that patients’ wishes and preferences are respected. While this is not always possible—for example, if referrals come very late or where a patient lacks the capacity to express their wishes—we are proud that, where preferences are known, we are able to meet them in the vast majority of cases. In fact, 91.1% of patients achieved their preferred place of death, a statistic that reflects the commitment of our teams to person-centred care.

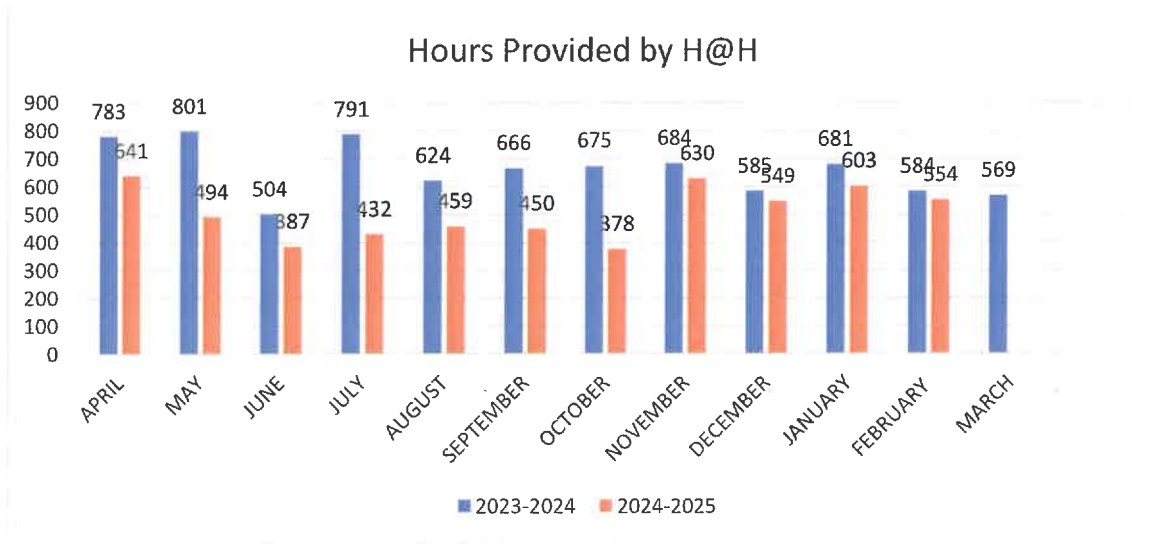
# The Hospice Of The Valleys

## Trustees Annual Report

### Hospice at Home

Our Hospice at Home service plays a vital role in providing compassionate care for patients and their families, particularly at night and towards the end of life. The service is characterised by fluctuating and often unpredictable caseloads, but its flexibility allows us to respond to need when it matters most.

A core feature of Hospice at Home is the Hospital Admission Avoidance Project (HAAP), which extends support beyond patients already known to the hospice. By offering short-term assistance during times of crisis, the service helps people remain in their preferred place of care until longer-term arrangements can be established. This timely intervention prevents unnecessary hospital admissions and ensures care is provided in a way that aligns with patients' wishes.



### CARIAD Dementia Service

CARIAD is a unique and holistic service for people living with dementia and their carers in Blaenau Gwent. It remains the only specialist dementia care provision outside of the NHS in the region, and the only charity offering free support to this vulnerable group.

The service provides a combination of community-based and centre-based support, including respite care through our day centre, practical assistance in the home, and emotional support for families. Alongside this, CARIAD works with carers to prepare for the future, facilitating important conversations around planning, Lasting Power of Attorney, and anticipatory grief.

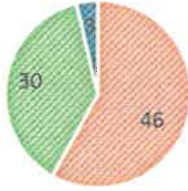
By addressing both the practical and emotional needs of families, CARIAD plays a critical role in improving quality of life, reducing carer strain, and helping families feel supported throughout their journey.

**The Hospice Of The Valleys**

**Trustees Annual Report**

**CARIAD SERVICE APRIL24-MARCH25**

■ Number of referrals ■ Number of discharges ■ Number of deaths ■



# The Hospice Of The Valleys

## Trustees Annual Report

### Progress on Our Current Strategy

In 2022, Hospice of the Valleys launched a three-year strategy built around seven strategic aims, aligned with the framework developed by the Cicely Saunders International Centre for Palliative Care. Year two of the plan focused on consolidating the progress made in the first year, embedding changes, and strengthening the foundations for long-term success.

Our strategic aims are to:

1. Provide holistic palliative care expertise wherever people are cared for – at home, in hospital, and in care homes – ensuring joined-up care is a reality.
2. Empower patients and carers to have greater choice and control over what matters most to them.
3. Provide staff, healthcare professionals, and carers with high-quality training.
4. Use evidence-based decision making to embed continuous learning and improvement.
5. Deliver a sustainable business model that ensures we can meet the growing demand for our services.
6. Engage in palliative care research.

### Year 3 Strategy Review Summary

Year three marked a pivotal stage in our strategic plan, with strong progress across all key priorities. The following highlights summarise achievements against each strategic aim:

#### Strategic Priority 1: Holistic palliative care in all settings

- Bereavement Support: Expanded individual support sessions, alongside the reintroduction of remembrance events.
- Development of a coherent model within the local community hospital
- Implementation of the Living Well service.

Outcome: Improved support for patients and families and strengthened collaboration within the sector.

Strategic Priority 2: Empower patients and carers to have greater choice and control over what matters most to them.

- Digital Services: Improved website functionality and increased availability of online resources.
- Outreach: Built new partnerships with local community groups to reach underserved populations.
- Wider use of patient reported outcomes.

Outcome: Wider access to services, greater equity, and stronger engagement with stakeholders.

Strategic Priority 3: Provide staff, healthcare professionals, and carers with high-quality training.

- Advocacy: Continued active participation in national networks and policy forums.
- Collaboration: Delivered community engagement events and sector thought-leadership initiatives.
- Professional Support: Delivered both formal and informal training opportunities for healthcare professionals across the region.

Outcome: Raised organisational profile and contributed to shaping policy and practice in palliative care.

# The Hospice Of The Valleys

## Trustees Annual Report

Strategic Priority 4: Use evidence-based decision making to embed continuous learning and improvement.

- Clear consultation and data have driven decisions around both the Family Support Team review and the development (and review) of the Living Well service

Outcome: Better goal setting outcomes for patients.

Strategic Priority 5: Deliver a sustainable business model to ensure we are effective in meeting the demands on our services

- Legacy Strategy completed, then tweaked to dovetail with the new annual National Legacy Campaign driven forward by Hospice UK
- National Lottery funding grant was achieved, multi-year funding from the Regional Partnership Board and Amser have helped to stabilise some service delivery

Outcome: Income generation raised over £1m in voluntary income for the first time within a financial year.

Strategic Priority 6: Engage in palliative care research.

- Research activity has been logged; Clinical Governance Committee has been engaged with managing our participation in wider external research projects.

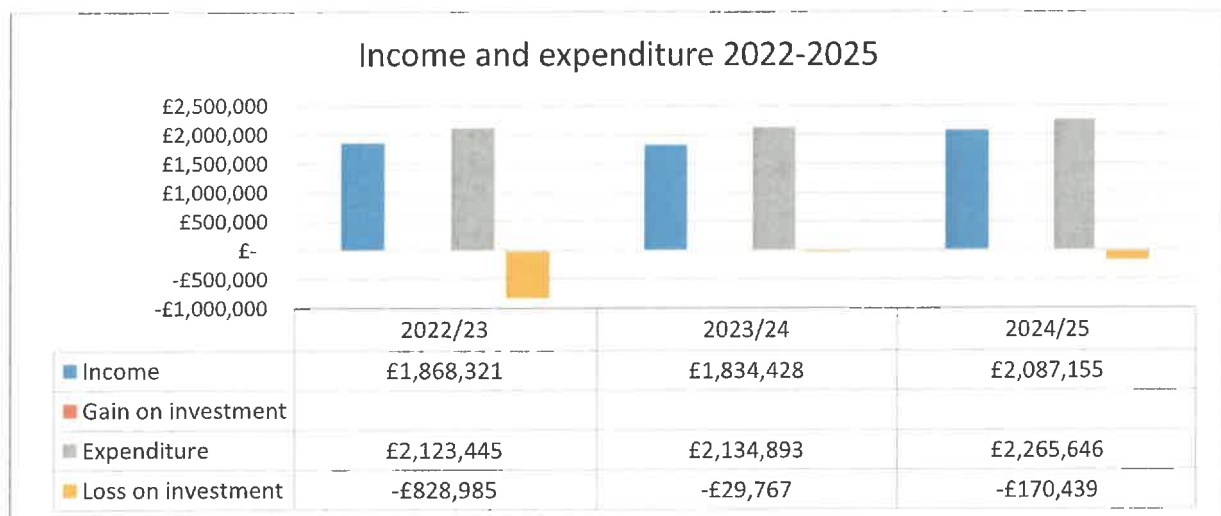
Outcome: Creation of research and outcomes log.

### Financial Review

2024/25 continued to be a challenging year, with global and economic unrest, ongoing inflationary pressures, rising staff costs, and volatility in investment markets.

The net expenditure in 2024/25 was £178k (2023/24: £360k). There was a loss on investment of £170k (2024/25: £30k loss). This resulted in a net movement in funds for the year of £349k deficit (2023/24: £330k deficit).

### Income and expenditure



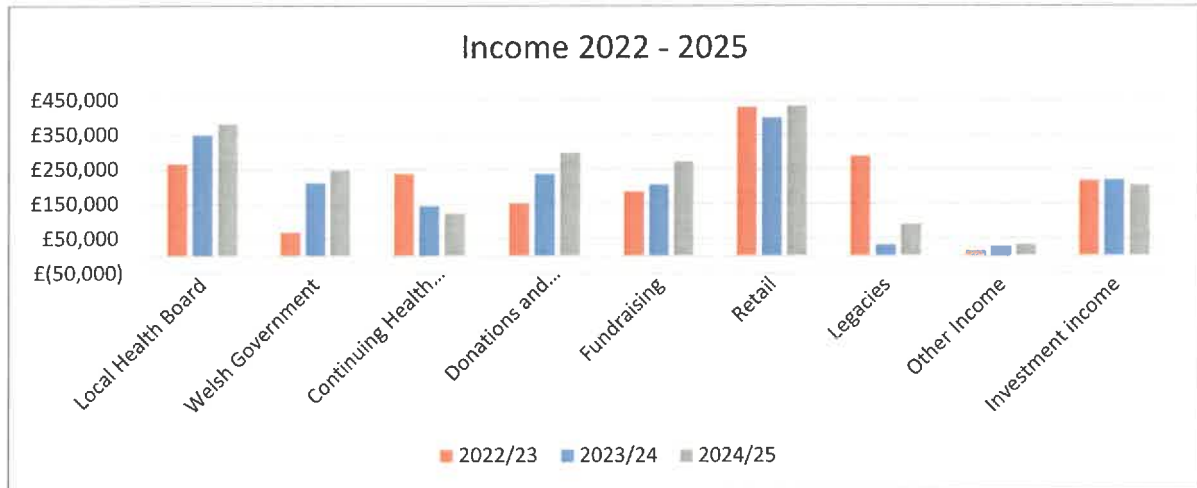
# The Hospice Of The Valleys

## Trustees Annual Report

### Income

Overall income in 2024/25 was £253k higher than the prior year. There were a number of income streams that contributed to the increase: donations and legacies were up £119k, statutory funding up £46k and retail and fundraising events contributed a further £88k.

A summary of income received over the last three years:



### Expenditure

As expected, our largest expenditure is delivering hospice care to the population of Blaenau Gwent. In 2024/25 we spent £1.54m (2023/24: £1.49m) on hospice care which accounted for 68% of total expenditure (2024/25: 70%).

Total expenditure in 2024/25 was £2.27m (2023/24: £2.13m).



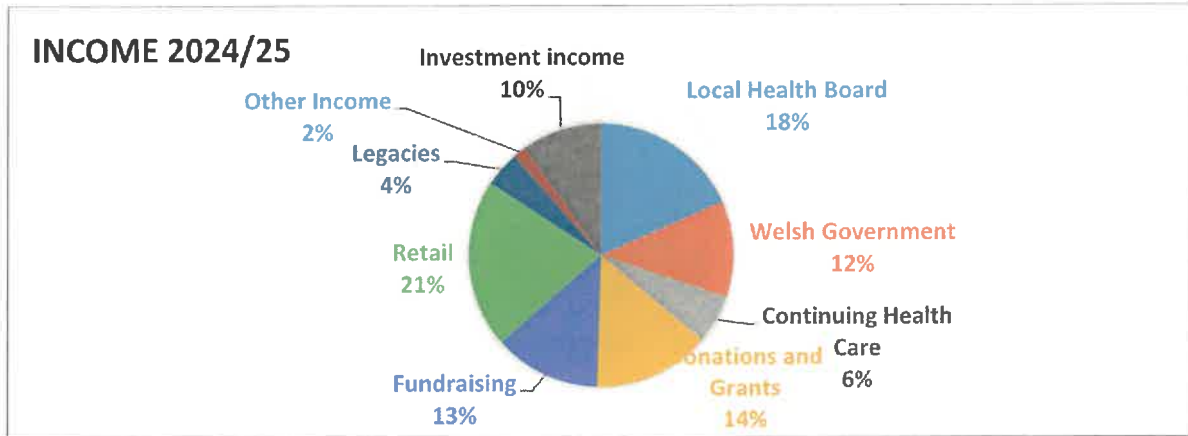
Demand on our service continues to grow, as does our cost base, this is against a backdrop of market political and government forces that affects both the ability of the hospice to secure targeted government / public funding and navigate the uncertainty around raising income from its local community.

After transfers between funds, unrestricted reserves now stand at £353k and restricted reserves at £5.4m (£0.4m lower than prior year).

# The Hospice Of The Valleys

## Trustees Annual Report

### Principal Funding Sources



The principal funding sources for the last 3 financial years can be seen below:

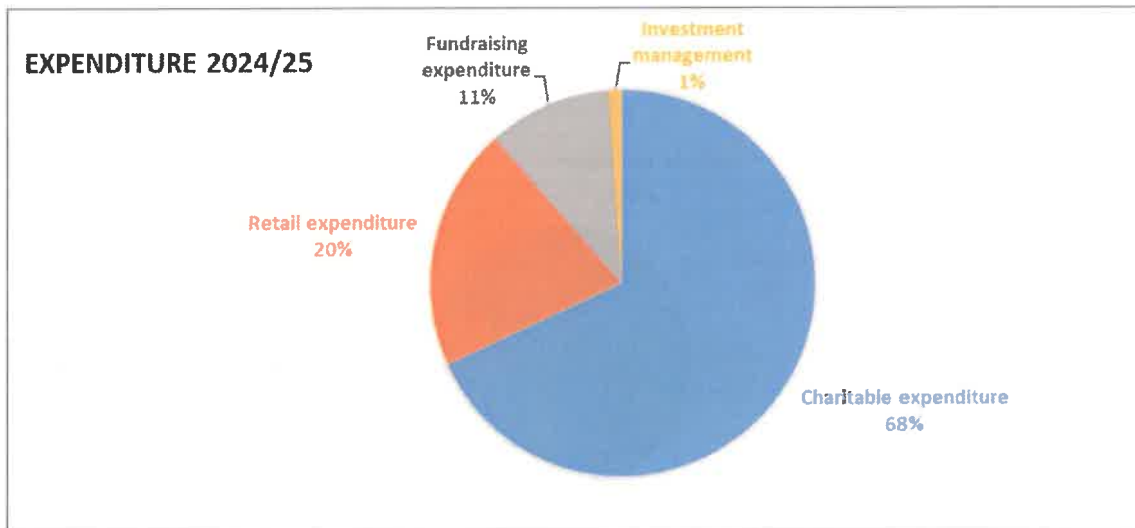
Income split	2022/23	2023/24	2024/25
Local Health Board	266,787	350,115	382,435
Welsh Government	68,593	211,611	248,163
Continuing Health Care	238,317	145,700	122,927
Covid-19 Emergency Hospice Funding			
Donations and Grants	153,394	237,261	298,501
Fundraising	186,938	207,642	272,860
Retail	431,047	401,145	433,748
Legacies	289,016	33,303	90,772
Other Income	16,099	27,560	33,367
Investment income	218,130	220,091	204,382
	<b>1,868,321</b>	<b>1,834,428</b>	<b>2,087,155</b>

Income generation contributed 53% of total income in 2024/25 (2023/24: 48%). Legacy income was up in 2024/25 by 3%; this income is very sporadic by nature and difficult to budget and unreasonable to rely on.

Local Health Board, Welsh Government and Continuing Health Care services income contribute 36% (2023/24: 39%) of total income.

# The Hospice Of The Valleys

## Trustees Annual Report



Total expenditure in 2024/25 was £2.67m (2023/24: £2.14m). Staff costs represent 79% or £1.79m (2023/24: 78%).

£1.54m relates to Charitable activities and is analysed further in note 7 to the accounts.

### Reserves Policy

Hospice of the Valleys is a core service provider on behalf of the Aneurin Bevan University Health Board and delivers the only community specialist palliative care service in Blaenau Gwent. By any standards, the provision of health care is an expensive business, and the Hospice is not immune from the high costs associated with employing specialist healthcare professionals to deliver the service.

The demographics of the borough of Blaenau Gwent are such that it is widely recognised as being one of the poorest areas in Wales and the UK. This can be measured in terms of income, unemployment rates, home and car ownership and morbidity rates. In considering the need for reserves the Hospice takes the position that its clinical service is essential to this population. Sufficient funds should be available to ensure continued delivery of this service for between 9- and 12-months during periods when volatile income falls below predicted levels.

Normally a reserve of six months would be considered acceptable for a charity. However, the essential nature and high cost of our service to the population, together with possible difficulties fundraising locally in such a deprived area, indicate a responsibility to extend our capacity beyond a six-month period.

### Reserves

During the financial year, the Trustees approved the designation of £150k from unrestricted reserves to establish an innovation fund. The fund has been created to support a series of strategic initiatives aimed at enhancing the hospice's operations and long-term sustainability. Key areas include: a re-branding exercise, streamlining the finance function and developing enhanced reporting practices to support better decision making and transparency.

Reserves will be maintained at levels sufficient to maintain services for between 9 and 12 months in accordance with the following procedure:

- The Head of Finance will present a financial report in accordance with the Hospice financial reporting policy at each Trustee meeting. Reports will include income, expenditure, cash flow forecasts and financial risk assessments together with impact of these on the level of reserves.
- At each Trustees meeting the level of reserves will be reviewed in accordance with the above, considering changes in service, income and costs incurred by the organisation.

# The Hospice Of The Valleys

## Trustees Annual Report

In 2025/26 the level of expenditure is budgeted to be £2.6m. This covers all functions of the Hospice including the Clinical Service, Administration and Fundraising. To provide a fully functioning organisation, assuming that no income is received for twelve months, it is anticipated that a cash reserve fund equalling expenditure each year is maintained.

However, our investment portfolio was constructed for the sole purpose of realising a regular cash income to help meet the running costs of the Hospice. This is the reason for the original gift of £5.2m in 2007. The cash withdrawn from our investment portfolio in 2024/25 was £440k (2023/24: £190k).

A cash-flow contingency fund is also required to ensure the Hospice can meet its monthly obligations in terms of wages, pensions and PAYE should any short-term interruptions to income streams occur. A two-month contingency fund would be sufficient to give Hospice managers time to investigate and correct any income problems. A two-month contingency fund would need to be £400k.



The Hospice manages creditors efficiently and strives to pay all invoices on or before the due date. This means that the amount of cash owing is maintained at the lowest possible level. Most day-to-day invoices are for “hundreds” rather than “thousands” of pounds. At the year end, creditors due within 1 year amounted to £160k (Trade Creditors £24k).

The Board of Trustees considers the Hospice finances at its quarterly meetings which include an updated forecast to the end of the Financial Year, a cashflow forecast and risk management. The Head of Finance prepares a 12-month rolling forecast and is in the process of revolutionising the reporting process so that the hospice will be able to analyse each service and set out a robust plan for the future.

At the end of March 2025 cash reserves stood at £144k (2023/24: £168k).

# The Hospice Of The Valleys

## Trustees Annual Report

The requirement of 9 months running costs of £1.9m and the "cash-flow" contingency reserve of £0.4m (£2.3m in total), means there is a cash reserves deficit of £2.2m.

However, our investment manager advises that the entire portfolio could possibly be liquidated within two weeks with a total value as of 31<sup>st</sup> March 2025 of £5,372,480. More immediately, there is currently (31/03) £1.2m in cash and bonds, capital which could be returned to the hospice within 1 day.

The trustees annual report was approved by the trustees, and authorised for issue on 9/12/25  
And signed on their behalf by:

M J Bobbett

M J Bobbett

Trustee

M. J. M. Parkes

M J Morris-Parker

Trustee

## **The Hospice Of The Valleys**

### **Independent Auditor's Report to the Members of The Hospice Of The Valleys**

#### **Opinion**

We have audited the financial statements of The Hospice Of The Valleys (the 'charity') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

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

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

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

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

#### **Other information**

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

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

We have nothing to report in this regard.

## The Hospice Of The Valleys

### Independent Auditor's Report to the Members of The Hospice Of The Valleys

#### Opinion on other matter prescribed by the Companies Act 2006

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

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

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

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the .

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

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

#### Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

#### Auditor responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We corroborated our enquiries of management by review of correspondence with HMRC and The Charity Commission and other regulatory bodies.

We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries into our audit approach.

Based on the results of our risk assessment we designed our audit procedures to identify and address material misstatements in relation to fraud.

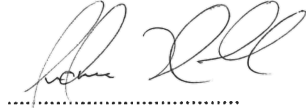
A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## The Hospice Of The Valleys

### Independent Auditor's Report to the Members of The Hospice Of The Valleys

#### Use of our report

This report is made solely to the charitable company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Mr Andrew Hill FCCA ACA DChA BFP (Senior Statutory Auditor)  
For and on behalf of HSJ Audit Limited, Statutory Auditor

Severn House  
Hazell Drive  
Newport  
South Wales  
NP10 8FY

12/12/2025  
Date:.....

## The Hospice Of The Valleys

### Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	198,706	190,567	389,273
Charitable activities	4	-	753,525	753,525
Other trading activities	5	706,608	-	706,608
Investment income	6	1,966	202,416	204,382
Other income	7	16,534	16,833	33,367
Total income		923,814	1,163,341	2,087,155
<b>Expenditure on:</b>				
Raising funds	8	(699,045)	(23,297)	(722,342)
Charitable activities	9	(582,379)	(960,925)	(1,543,304)
Total expenditure		(1,281,424)	(984,222)	(2,265,646)
Gains/losses on investment assets		-	(170,439)	(170,439)
Net (expenditure)/income		(357,610)	8,680	(348,930)
Transfers between funds		440,000	(440,000)	-
Net movement in funds		82,390	(431,320)	(348,930)
<b>Reconciliation of funds</b>				
Total funds brought forward		270,974	5,803,800	6,074,774
Total funds carried forward	22	353,364	5,372,480	5,725,844

The notes on pages 8 to 26 form an integral part of these financial statements.

## The Hospice Of The Valleys

### Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	148,101	122,463	270,564
Charitable activities	4	-	707,425	707,425
Other trading activities	5	608,787	-	608,787
Investment income	6	3,649	216,441	220,090
Other income	7	10,726	16,834	27,560
<b>Total income</b>		<b>771,263</b>	<b>1,063,163</b>	<b>1,834,426</b>
<b>Expenditure on:</b>				
Raising funds	8	(623,513)	(22,596)	(646,109)
Charitable activities	9	(626,359)	(862,423)	(1,488,782)
<b>Total expenditure</b>		<b>(1,249,872)</b>	<b>(885,019)</b>	<b>(2,134,891)</b>
Gains/losses on investment assets		-	(29,767)	(29,767)
<b>Net (expenditure)/income</b>		<b>(478,609)</b>	<b>148,377</b>	<b>(330,232)</b>
Transfers between funds		257,187	(257,187)	-
<b>Net movement in funds</b>		<b>(221,422)</b>	<b>(108,810)</b>	<b>(330,232)</b>
<b>Reconciliation of funds</b>				
Total funds brought forward		492,396	5,912,610	6,405,006
Total funds carried forward	22	270,974	5,803,800	6,074,774

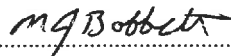
All of the charity's activities derive from continuing operations during the above two periods.

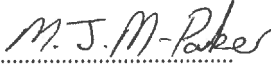
The funds breakdown for 2024 is shown in note 22.

**The Hospice Of The Valleys**  
**(Registration number: 02007005)**  
**Balance Sheet as at 31 March 2025**

	Note	2025 £	2024 £
<b>Fixed assets</b>			
Tangible assets	16	18,363	20,124
Investments		5,372,481	5,803,801
		5,390,844	5,823,925
<b>Current assets</b>			
Stocks	17	2,100	396
Debtors	18	348,621	246,488
Cash at bank and in hand	19	144,110	168,459
		494,831	415,343
<b>Creditors: Amounts falling due within one year</b>	20	(159,831)	(164,494)
<b>Net current assets</b>		335,000	250,849
<b>Net assets</b>		5,725,844	6,074,774
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		5,372,480	5,803,800
<b>Unrestricted income funds</b>			
Unrestricted funds		353,364	270,974
<b>Total funds</b>	22	5,725,844	6,074,774

The financial statements on pages 4 to 26 were approved by the trustees, and authorised for issue on 9.12.25 and signed on their behalf by:

  
 .....  
 MJ Bobbett  
 Trustee

  
 .....  
 MJ Morris-Parker  
 Trustee

## The Hospice Of The Valleys

### Statement of Cash Flows for the Year Ended 31 March 2025

	Note	2025 £	2024 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(348,930)	(330,232)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	8	6,394	12,736
Investment income	6	(204,382)	(220,090)
Profit on disposal of tangible fixed assets		-	(4,854)
Revaluation of investments		193,735	52,358
		<u>(353,183)</u>	<u>(490,082)</u>
<b>Working capital adjustments</b>			
Increase in stocks	17	(1,704)	(98)
Increase in debtors	18	(102,133)	(47,811)
Decrease in creditors	20	(8,362)	(44,462)
Increase/(decrease) in deferred income		3,699	(19,510)
Net cash flows from operating activities		<u>(461,683)</u>	<u>(601,963)</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	6	204,382	220,090
Purchase of tangible fixed assets	16	(4,632)	-
Sale of tangible fixed assets		-	2,147
Purchase of investments		(202,416)	(216,441)
Sale of investments		440,000	212,595
Net cash flows from investing activities		<u>437,334</u>	<u>218,391</u>
Net decrease in cash and cash equivalents		(24,349)	(383,572)
Cash and cash equivalents at 1 April		<u>168,459</u>	<u>552,031</u>
Cash and cash equivalents at 31 March		<u>144,110</u>	<u>168,459</u>

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

The notes on pages 8 to 26 form an integral part of these financial statements.

# The Hospice Of The Valleys

## Notes to the Financial Statements for the Year Ended 31 March 2025

### 1 Charity status

The charity is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Hospice of the Valleys  
Festival Drive  
Ebbw vale  
NP23 8XF

Authorised for issue: 4 November 2025

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

#### Basis of preparation

The Hospice Of The Valleys meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### Going concern

The charity produces annual budgets and forecasts which take into account expected changes in the funding streams and which demonstrate that the charity will be able to continue to operate. Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and are not aware of any material uncertainties regarding this assumption. On this basis, the trustees consider it appropriate to continue to prepare the financial statements on the going concern basis.

#### Income and endowments

All income is included in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The following specific policies are applied:

## The Hospice Of The Valleys

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### *Donations and legacies*

Voluntary income is income received by way of grants, gifts or donation. These are included in full on receipt unless it is subject to a condition when it is treated as deferred income.

#### *Grants receivable*

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### *Deferred income*

Income or grants received in advance are held as deferred income and carried forward to future accounting periods to be released when the defined purpose of the work or project have been completed, approved or certified.

#### *Gifts in kind*

The value of services provided by volunteers is not quantified.

#### *Other trading activities*

Trading income is recognised when earned.

#### *Investment income*

Investment income is included when receivable.

Interest on funds held on deposit is included when receivable, and the amount can be measured reliably by the charity.

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directory attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

#### *Raising funds*

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops.

#### *Charitable activities*

Charitable expenditure comprises those costs incurred by the charity in delivery of its activities and service for its beneficiaries. It includes the costs that can be attributed directly to those activities and those costs of an indirect nature necessary to support them.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

# The Hospice Of The Valleys

## Notes to the Financial Statements for the Year Ended 31 March 2025

### Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

### Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are charitable objects.

### Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

### Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Software	5 years straight line

### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office equipment	20% on cost
IT equipment	33% on cost
Clinical equipment	20% on cost
Shop fixtures	20% on cost
Motor vehicles	25% on reducing balance
Day centre	20% on cost
Property improvements	Over period of lease

### Fixed asset investments

Listed fixed asset investments are included at fair value (quoted market price in an active market). All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

### Stock

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Donated stock held at charity shops is not valued.

## The Hospice Of The Valleys

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### **Trade debtors**

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

#### **Cash and cash equivalents**

Cash at bank and cash in hand includes current and short-term liquid deposit accounts with a short maturity.

#### **Trade creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due can be measured or estimated reliably.

Creditors are normally recognised at their settlement amount after allowing for trade discounts.

#### **Fund structure**

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes and are expendable at the discretion of the trustees in furtherance of the objects and administration of the charity.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

#### **Hire purchase and finance leases**

Rentals applicable to operating leases where substantially all the risks and benefits of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

#### **Pensions and other post retirement obligations**

The charity contributes to a defined benefit scheme operated by the NHS. The charity also contributed to some employees' personal pension schemes.

The NHS scheme is a defined benefit scheme which is unfunded. This is a multi-employer pension scheme based on final pensionable pay, contributions being charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company. The charity accounts for the scheme as a defined contribution scheme and is not required to account for any of the assets or liabilities of the scheme in accordance with FRS102.

#### **Financial instruments**

##### ***Classification***

The charity only has financial assets and 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.

## The Hospice Of The Valleys

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2025 £	Total 2024 £
Donations and legacies;				
Donations from individuals	57,545	-	57,545	66,418
Legacies	90,772	-	90,772	33,303
Gift aid reclaimed	21,591	-	21,591	14,733
Grants, including capital grants;				
Grants from other charities	28,798	190,567	219,365	156,110
	198,706	190,567	389,273	270,564

#### 4 Income from charitable activities

	Restricted funds £	Total 2025 £	Total 2024 £
Local Health Board Service Level Agreement	382,435	382,435	350,115
Welsh Government	248,163	248,163	211,610
Aneurin Bevan University Health Board	122,927	122,927	145,700
	753,525	753,525	707,425

#### 5 Income from other trading activities

	Unrestricted funds General £	Total funds £	Total 2024 £
Trading income;			
Shop income from sale of donated goods and services	431,776	431,776	399,773
Shop income from sale of purchased goods	1,972	1,972	1,372
Events income;			
Fundraising Activities	272,860	272,860	207,642
	706,608	706,608	608,787

## The Hospice Of The Valleys

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 6 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2025 £	Total 2024 £
Interest receivable and similar income;				
Interest receivable on bank deposits	1,966	-	1,966	3,649
Other income from fixed asset investments	-	202,416	202,416	216,441
	<u>1,966</u>	<u>202,416</u>	<u>204,382</u>	<u>220,090</u>

#### 7 Other income

	Unrestricted funds General £	Restricted funds £	Total 2025 £	Total 2024 £
Training Income	5,796	-	5,796	10,726
Young Dementia Project Fund	-	16,833	16,833	16,834
Other income	10,738	-	10,738	-
	<u>16,534</u>	<u>16,833</u>	<u>33,367</u>	<u>27,560</u>

#### 8 Expenditure on raising funds

##### Costs of generating donations and legacies

a)

	Note	Unrestricted funds General £	Total 2025 £	Total 2024 £
Fundraising Costs		188,801	188,801	257,969
Allocated support costs	10	<u>48,150</u>	<u>48,150</u>	<u>33,329</u>
		<u>236,951</u>	<u>236,951</u>	<u>291,298</u>

## The Hospice Of The Valleys

### Notes to the Financial Statements for the Year Ended 31 March 2025

**b) Costs of trading activities**

	Note	Unrestricted funds General £	Total 2025 £	Total 2024 £
Direct trading costs		376,494	376,494	270,317
Allocated support costs	10	85,600	85,600	61,898
		462,094	462,094	332,215

**c) Investment management costs**

	Note	Restricted funds £	Total 2025 £	Total 2024 £
Allocated support costs	10	23,297	23,297	22,596
		23,297	23,297	22,596

## The Hospice Of The Valleys

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 9 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2025 £	Total 2024 £
Medical salaries and pensions	132,657	974,112	1,106,769	1,047,880
Social worker salaries and expenses	-	-	-	1,544
Drugs and medical supplies	1,546	-	1,546	82
Motor expenses	12,857	274	13,131	13,902
Clinic food and other costs	3,676	3,017	6,693	4,719
Clinical equipment maintenances	180	-	180	398
Telephone costs	3,059	8	3,067	3,964
Training	11,964	-	11,964	9,930
Medical equipment depreciations	-	-	-	37
Miscellaneous	1,546	-	1,546	235
Support costs	310,088	-	310,088	314,973
Governance	88,320	-	88,320	91,121
	<u>565,893</u>	<u>977,411</u>	<u>1,543,304</u>	<u>1,488,785</u>

**The Hospice Of The Valleys**

**Notes to the Financial Statements for the Year Ended 31 March 2025**

**10 Analysis of governance and support costs**

**Support costs allocated to raising funds**

	Governance costs £	Finance costs £	Information technology £	Staff costs £	Administrative costs £	Premises costs including depreciation £	Other support costs £	Total 2025 £
<b>Basis of allocation</b>								
A	9,811	550	13,991	80,617	1,597	25,734	1,450	133,750
<b>Basis of allocation</b>								
A		6,133	9,766	57,584	1,558	18,808	1,378	95,227

**Support costs allocated to charitable activities**

	Governance costs £	Finance costs £	Information technology £	Staff costs £	Administrative costs £	Premises costs including depreciation £	Other support costs £	Total 2025 £
<b>Basis of allocation</b>								
A	22,960	1,291	29,689	188,648	3,395	60,364	3,741	310,088
A	6,476	363	9,236	53,208	957	17,025	1,055	88,320
	29,436	1,654	38,925	241,856	4,352	77,389	4,796	398,408

**The Hospice Of The Valleys**

**Notes to the Financial Statements for the Year Ended 31 March 2025**

		Governance costs £	Information technology £	Staff costs £	Administra- tion costs £	Premises costs including depreciation £	Other support costs £	Total 2024 £
	<b>Basis of allocation</b>							
Charitable Activities	A	20,285	32,303	190,463	5,154	62,211	4,556	314,972
Governance	A	5,868	9,345	55,100	1,491	17,997	1,318	91,119
		26,153	41,648	245,563	6,645	80,208	5,874	406,091

**Basis of allocation**

<b>Reference</b>	<b>Method of allocation</b>
A	Based on allocation of salary costs

## The Hospice Of The Valleys

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 11 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2025 £	2024 £
Audit fees	4,500	4,681
Other non-audit services	1,995	7,650
Depreciation of fixed assets	6,394	12,736
Amortisation of goodwill	-	4,681
	-	4,681

#### 12 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

#### 13 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
<b>Staff costs during the year were:</b>		
Wages and salaries	1,528,902	1,413,753
Social security costs	147,316	136,821
Pension costs	117,343	117,267
	1,793,561	1,667,841

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2025 No	2024 No
Hospice Services	31	30
Fundraising and Publicity (including Shops)	13	11
Management and Administration	7	7
	51	48

The number of employees whose emoluments fell within the following bands was:

	2025 No	2024 No
£70,001 - £80,000	1	1
	1	1

The total employee benefits of the key management personnel of the charity were £268,139 (2024 - £254,731).

## The Hospice Of The Valleys

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 14 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 15 Intangible fixed assets

	Research and development £	Total £
<b>Cost</b>		
At 1 April 2024	7,645	7,645
At 31 March 2025	7,645	7,645
<b>Amortisation</b>		
At 1 April 2024	7,645	7,645
At 31 March 2025	7,645	7,645
<b>Net book value</b>		
At 31 March 2025	-	-
At 31 March 2024	-	-

#### 16 Tangible fixed assets

	Equipment & Fittings £	Motor vehicles £	Property improvements £	Total £
<b>Cost</b>				
At 1 April 2024	106,214	28,990	89,007	224,211
Additions	4,632	-	-	4,632
At 31 March 2025	110,846	28,990	89,007	228,843
<b>Depreciation</b>				
At 1 April 2024	105,116	9,963	89,007	204,086
Charge for the year	1,635	4,759	-	6,394
At 31 March 2025	106,751	14,722	89,007	210,480
<b>Net book value</b>				
At 31 March 2025	4,095	14,268	-	18,363
At 31 March 2024	1,098	19,027	-	20,125

#### 17 Stock

	2025 £	2024 £
Stocks	2,100	396

## The Hospice Of The Valleys

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 18 Debtors

	2025 £	2024 £
Trade debtors	24,990	33,447
Prepayments	38,483	33,011
Accrued income	263,708	163,764
VAT recoverable	21,440	16,266
	348,621	246,488

#### 19 Cash and cash equivalents

	2025 £	2024 £
Cash on hand	265	385
Cash at bank	143,845	168,074
	144,110	168,459

#### 20 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	23,714	24,830
Other taxation and social security	32,965	35,704
Other creditors	28,923	25,695
Accruals	54,439	62,174
Deferred income	19,790	16,091
	159,831	164,494
	<b>2025</b> £	<b>2024</b> £
Deferred income at 1 April 2024	16,091	35,601
Resources deferred in the period	19,790	16,091
Amounts released from previous periods	(16,091)	(35,601)
Deferred income at year end	19,790	16,091

Deferred income represents income received from contributing agencies where the contribution was restricted to a fixed time period that extends beyond the current financial year. Income is deferred on the basis that the contribution was to the project as a whole, the time period of the project was fully disclosed to the contributing agencies and that time period is certain.

## **The Hospice Of The Valleys**

### **Notes to the Financial Statements for the Year Ended 31 March 2025**

#### **21 Pension and other schemes**

##### **Defined contribution pension scheme**

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £117,343 (2024 - £117,267).

## The Hospice Of The Valleys

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 22 Funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2025 £
<b>Unrestricted funds</b>						
<i>General</i>						
General Fund	270,974	923,814	(1,281,424)	290,000	-	203,364
<i>Designated</i>						
Innovation Fund	-	-	-	150,000	-	150,000
<b>Total unrestricted funds</b>	<b>270,974</b>	<b>923,814</b>	<b>(1,281,424)</b>	<b>440,000</b>	<b>-</b>	<b>353,364</b>
<b>Restricted funds</b>						
Robin Judah investment portfolio	5,803,800	202,416	(23,297)	(440,000)	(170,439)	5,372,480
Amser project	-	52,161	(52,161)	-	-	-
Local Health Board Service	-	382,435	(382,435)	-	-	-
Welsh Government	-	248,163	(248,163)	-	-	-
ABHUB - Hospice at Home	-	122,927	(122,927)	-	-	-
Other	-	68,573	(68,573)	-	-	-
National Lottery	-	86,666	(86,666)	-	-	-
<b>Total funds</b>	<b>5,803,800</b>	<b>1,163,341</b>	<b>(984,222)</b>	<b>(440,000)</b>	<b>(170,439)</b>	<b>5,372,480</b>
	<u>6,074,774</u>	<u>2,087,155</u>	<u>(2,265,646)</u>	<u>-</u>	<u>(170,439)</u>	<u>5,725,844</u>

**The Hospice Of The Valleys**

**Notes to the Financial Statements for the Year Ended 31 March 2025**

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
<b>Unrestricted funds</b>						
<i>General</i>						
General Fund	492,396	771,263	(1,249,872)	257,187	-	270,974
<b>Restricted funds</b>						
Robin Judah investment portfolio	5,829,723	216,441	(22,596)	(190,001)	(29,767)	5,803,800
Amsert project	-	31,864	(31,864)	-	-	-
Waterloo Foundation	-	49,100	(49,100)	-	-	-
Albert Hunt	-	30,000	(30,000)	-	-	-
Local Health Board Service	15,701	350,115	(365,816)	-	-	-
Welsh Government	-	211,610	(211,610)	-	-	-
ABHUB - Hospice at Home	-	145,700	(145,700)	-	-	-
Other	67,186	28,333	(28,333)	(67,186)	-	-
	5,912,610	1,063,163	(885,019)	(257,187)	(29,767)	5,803,800
<b>Total funds</b>	6,405,006	1,834,426	(2,134,891)	-	(29,767)	6,074,774

## The Hospice Of The Valleys

### Notes to the Financial Statements for the Year Ended 31 March 2025

The specific purposes for which the funds are to be applied are as follows:

#### Robin Judah Investment Portfolio

This donation was given with the restriction that it could not be used for capital projects but is available for general running costs.

#### Amser project

A partnership agreement with Age Connects, to run the Your Time Your Choice Project.

#### Waterloo Foundation

Funding towards the CARIAD project.

#### Albert Hunt

Funding towards core costs.

#### Local Health Board

This funding is a Service Level Agreement which allows the Hospice to provide Community Palliative Care, Hospice at Home and Specialist Palliative Care Services.

#### Welsh Government

This fund is for NHS matched pension contributions. A WG Hospital Cost of Living Grant was also awarded during the year, which is towards meeting the inflationary impact of salary costs for providing NHS services and to support the wider cost of living impacts of energy and fuel costs.

#### Aneurin Bevan University Health Board (ABUHB)

This income relates to CHC services, and also a Hospital Admission Avoidance Project (HAAP) grant.

#### Other

These funds relate to donations given specifically for the purchase of specific items, such as equipment for patients, clinic rent and for the social workers to spend at their discretion to help the families of patients who may be suffering financial difficulties.

#### National Lottery

Funding towards the CARIAD project.

## The Hospice Of The Valleys

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 23 Analysis of net assets between funds

	Unrestricted funds		Restricted funds £	Total funds at 31 March 2025 £
	General £	Designated £		£
Tangible fixed assets	18,363	-	-	18,363
Fixed asset investments	1	-	5,372,480	5,372,481
Current assets	344,831	150,000	-	494,831
Current liabilities	(159,831)	-	-	(159,831)
<b>Total net assets</b>	<b>203,364</b>	<b>150,000</b>	<b>5,372,480</b>	<b>5,725,844</b>

	Unrestricted funds		Restricted funds £	Total funds at 31 March 2024 £
	General £	Designated £		£
Tangible fixed assets		20,124	-	20,124
Fixed asset investments		1	5,803,800	5,803,801
Current assets		415,343	-	415,343
Current liabilities		(164,494)	-	(164,494)
<b>Total net assets</b>		<b>270,974</b>	<b>5,803,800</b>	<b>6,074,774</b>

#### 24 Analysis of net funds

	At 1 April 2024 £	Financing cash flows £	At 31 March 2025 £
	Cash at bank and in hand	168,459	(24,349)
Net debt	168,459	(24,349)	144,110

	At 1 April 2023 £	Financing cash flows £	At 31 March 2024 £
	Cash at bank and in hand	552,030	383,571
Net debt	552,030	383,571	935,601

## The Hospice Of The Valleys

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 25 Related party transactions

During the year the charity made the following related party transactions:

##### **Aneurin Bevan University Health Board**

(Mr P Robson (a Trustee) is associated with ABUHB.)

Income has been received in the year from ABUHB totaling £122,927 (2024: £145,700). At the balance sheet date the amount due from Aneurin Bevan University Health Board was £23,941 (2024 - £Nil).

##### **Hallmark Care Homes**

(Mrs V Ingles (a Trustee) is associated with Hallmark Care Homes.)

Income has been received in the year from Hallmark Care Homes totaling £1,525 (2024: £Nil). At the balance sheet date the amount due from Hallmark Care Homes was £Nil (2024 - £Nil).

##### **Roseblade Media Limited**

(Mr M Morris-Parker (a Trustee) is associated with Roseblade Media Limited.)

Expenditure has been incurred in the year with Roseblade Media Limited totaling £2,389 (2024: £1,263). At the balance sheet date the amount due to Roseblade Media Limited was £Nil (2024 - £Nil).

**HOSPICE OF THE VALLEYS**

England & Wales - Charity number 517724

---

# Accounts

---

**THE HOSPICE OF THE VALLEYS**  
**(A REGISTERED CHARITY)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> MARCH 2024**

**Charity Number: 517724**

**Company Number: 2007005**

# **THE HOSPICE OF THE VALLEYS**

<b>CONTENTS</b>	<b>PAGE</b>
Reference and administrative information	1
Report of the Trustees/Directors	2 - 21
Independent auditors report	22 – 24
Statement of financial activities	25
Balance sheet	26
Statement of cashflows	27
Notes forming part of the financial statements	28 - 42

# THE HOSPICE OF THE VALLEYS

## Report of the Trustees for the year ended 31<sup>st</sup> March 2024

The trustees present their report and the audited annual financial statements for the year ended 31<sup>st</sup> March 2024

The trustee report includes the directors' report as required by company law

### **Reference and administrative information**

<b>Charity Name:</b>	The Hospice of the Valleys	
<b>Company Registered Number:</b>	2007005	
<b>Charity Registered Number:</b>	517724	
<b>Registered Office:</b>	Festival Drive, Ebbw Vale, Gwent, NP23 8XF	
<b>Trustees/Directors:</b>	Mr Michael Bobbett (Chairman) (appointed 17 <sup>th</sup> November 2023) Mr Allan Harris (Interim Chair) (resigned 29 <sup>th</sup> January 2024) Mr Phillip Robson Mrs Sally Mirando (resigned 29 <sup>th</sup> January 2024) Mr Mathew Morris-Parker Mrs Julie Timothy (resigned 29 <sup>th</sup> May 2024) Mr Stuart Williams Mr Owen James (resigned 17 <sup>th</sup> November 2023) Ms Verly Inglis	
<b>Company Secretary:</b>	Mr Grant Usmar	
<b>Senior Management Team:</b>	Mr Grant Usmar – Chief Executive Mrs Jane Hart MBE – Head of Clinical Services (Resigned March 2023) Mrs Sarah Harries - Head of Clinical Services (Appointed March 2023) Mrs Melanie Phillips – Head of Finance	
<b>Independent Auditors:</b>	Baker Knogle Audit Limited, Orbit Business Centre, Rhydycar Business Park, Merthyr Tydfil CF48 1DL	
<b>Accountants:</b>	Baker Knogle Chartered Accountants, Orbit Business Centre, Rhydycar Business Park, Merthyr Tydfil CF48 1DL	
<b>Bankers:</b>	Lloyds Bank Plc. 8 High Town Hereford HR1 2AE	The Co-operative Bank PO Box 250 Skelmersdale WN8 6WT
<b>Investment Bankers:</b>	Rathbones, 159 New Bond Street, London, W15 2UD	
<b>Solicitors:</b>	Lewis, Lines & Wilks, Bryn Mawr, Ebbw Vale NP23 4PS	

# **THE HOSPICE OF THE VALLEYS**

## **Report of the Trustees for the year ended 31<sup>st</sup> March 2024**

### **Structure, Governance and Management**

The Trustees/directors are pleased to present their report and financial statements for the year ended 31st March 2024, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

### **Governing Document**

The charity is a charitable company limited by guarantee, incorporated on 4th April 1986. It is governed by a memorandum and articles of association and does not have a share capital. The limited company registration number is 02007005. The company is a registered charity under the Charity Commission, reference number 517724.

### **Appointment of Trustees / Directors**

The Directors of the company are also charity trustees for the purpose of charity law, and under the company's Articles are known as the Council of Trustees (The Trustees). As set out in the Articles the number of members of the council shall not be less than five nor more than ten.

Trustees are appointed by the board of trustees in accordance with the Hospice's procedure on appointment of new trustees. Trustees appointed in the year are interviewed by the Chairman prior to being elected by the Board of Trustees. Such appointments are ratified by the members at the next General Meeting. Trustees must sign an undertaking that they are fit to serve (i.e., meet specific requirements).

Trustees serve for six years after which this may be renewed by the members at the next General Meeting.

### **Organisational Structure**

The Hospice is managed by a board of trustees of between five and ten members who meet bi-monthly. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

### **Key Management and Employees Remuneration**

Hospice of the Valleys recognises that it must ensure staff are rewarded appropriately for their work and dedication. It is also necessary to ensure competitive rates of pay and benefits are maintained to ensure retention and recruitment of the best calibre staff to deliver the Charity's objectives.

The Board has agreed a Hospice pay scale that encompasses all staff. This scale is based on the NHS Agenda for Change pay scale and is currently applied to all staff, with retail staff being bench-marked against equivalent roles in the sector.

The Board of Trustees approves any pay increase for all staff at its budget setting meeting in Feb/March each year. The level of pay is set on joining the Hospice. Movements within the scale and any increases are subject to performance, professional development and length of service and are decided by the Chief Executive. Whilst the Hospice seeks to maintain equivalence with prevailing nationally negotiated conditions of pay it cannot be bound by their agreements. Cost of living and other salary increases are discretionary and subject to funding constraints.

The Hospice is a Direction Employer under the NHS Pension scheme and qualifying staff are eligible to join this scheme on employment with the Hospice. For other staff the Hospice has a stakeholder pension scheme into which it contributes 5% of salary. All non-NHS pension staff are auto enrolled into this scheme on employment with the Hospice.

### **Risk Management**

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

## THE HOSPICE OF THE VALLEYS

### **Objectives and Activities**

The principal activity of the company in the year under review was that of a Hospice and specialist palliative care service.

The aims of its service are to benefit the public through the following objectives:

- To practice holistic Hospice care, addressing all the patient's needs, physical, spiritual, social and emotional.
- To support families so well that they are enabled to care for dying relatives at home to the end.
- To maximise patients' autonomy.
- To establish a model of Hospice care that is recognised locally, nationally and internationally as being of the highest standards. To teach about our methods.
- To care for patients from first diagnosis of a life-threatening illness through to cure or death. To support carers throughout this time, and in bereavement as long as necessary.

In order to achieve these aims the Hospice aims to be a Specialist Palliative Care Provider – Consultant led with a team of highly trained and skilled clinicians, social workers and other professionals. The Hospice has embarked upon a review of its clinical governance framework under the leadership of the consultant, which will ensure a robust evidence-based delivery of appropriate care to the population of Blaenau Gwent.

The Hospice now benefits from the support of 200 volunteers. A large proportion of these help us to fundraise by staffing our five shops, driving our van, and helping at fundraising events. Volunteers also help at our clinics supporting patients to complete activities and achieve their goals.

The value of volunteer time is not quantified in terms of money, but the time contributed by volunteers is an invaluable resource in terms of the outstanding contribution made by them.

### How our activities deliver public benefit

The Trustees have had regard to Charity Commission guidance on public benefit. Our objects and funding limit the services we provide to those residents in Blaenau Gwent. We deliver public benefit via the following activities:

- Hospice of the Valleys provides community-based Specialist Palliative Care to the people of Blaenau Gwent who are suffering from a life limiting illness, their families, and carers.
- We also provide a Hospice at Home service where patients can have Healthcare Assistants in their home during the night and in the day.
- Our staff work in collaboration with other Healthcare Professionals to ensure patients always receive appropriate, high-quality care when needed.
- We always strive to ensure patients are cared for in their preferred place of care which may be their own home.
- People with a life-limiting illness can be referred to Hospice of the Valleys and access any of the services provided by the Charity.
- Services are provided free-of charge to patients and their families/carers.
- Hospice of the Valleys is at the heart of the Community providing employment, volunteering opportunities and many public events and activities.

# **THE HOSPICE OF THE VALLEYS**

## **Chairman's Summary**

As we look back on the last year it has been heartening to see the difference the teams within Hospice of the Valleys have continued to make to individuals and families affected by terminal illness.

Our core clinical services have retained their focus on delivering specialist-level palliative and end of life care and our ambitions to help more people reduce the pain and distress they experience had led to new and innovative ways to reaching out into our community and opening access to hospice care for those who might not previously have known about us.

Maintaining a level of sustainable income has been one of the main concerns of the trustees over the year. We managed to deliver our patients services this year thanks to the generosity of our community. However, over the last few years, we have been unable to rely solely on our fundraising and retail generation activities and gifts in wills have often fill the gap between income and expenditure. The year saw us deliver another planned deficit budget., We have continued to use the growth on or investments to support the delivery of services that are vital to the local community.

Due to the hard work and collaboration between the embers of Hospices Cymru across the nation we were able to work with Welsh Government to access more funding during the year. Combined with careful management of our expenditure budget and a good performance for our fundraising activity, the extra tranche of funds from Welsh Government had a significant impact on our financial position at the end of the year, but as tis was a one-off payment there is still more work to be done to ensure that the delivery hospice care within Wales becomes truly sustainable.

## **Partnership Working**

Hospice of the Valleys has a proud history and openness to working in partnership with other organisations and individuals.

The nature of our work of delivering most services within people's homes and the understanding that our teams are not the only ones coming through the front door, means that a collaborative approach is best for patients and families and improves outcomes. However, we can always improve on this foundation. Therefore, partnership working was identified as a key objective of the current strategy, with a lot of groundwork completed in the first year if the strategy. Some of the fruits of this work are highlighted below:

### Your Time, Your Choice" Project

This is a partnership with Age Connect Torfaen and funded over 20 months by AMSER \*(Carers Trust) within Wales.

The CARIAD team and Age Connect Torfaen are working together to provide short breaks for carers. The aim of the project is to provide carers with a variety of options to support their individual, identified need. The project has been very successful with all funding allocated for the first year spent, and more carers identified than outlined within the proposal. As a result of the overwhelming success the team has recruited another dementia support worker to work alongside the current team to ensure that the needs of the community are met.

### Hospital Admittance Avoidance Project

The Hospital Admission Avoidance Project (HAAP) funded via the Regional Integration Fund (RIF) and has been a very successful partnership with Aneurin Bevan University Health Board (ABUHB), delivering the service since 2001. This project has enabled people to remain in their preferred place of care aligned to their wishes and choices. This bespoke project aims to support people through crisis situations by providing healthcare assistants support overnight. This ultimately prevents admissions to acute hospital settings, where this setting will be detrimental to the person's mental health as it is not aligned with their wishes and choices. The service is those who meet the referral criteria for HAAP, not just those known to Hospice of the Valleys.

### In-reach service Ysbyty Aneurin Bevan

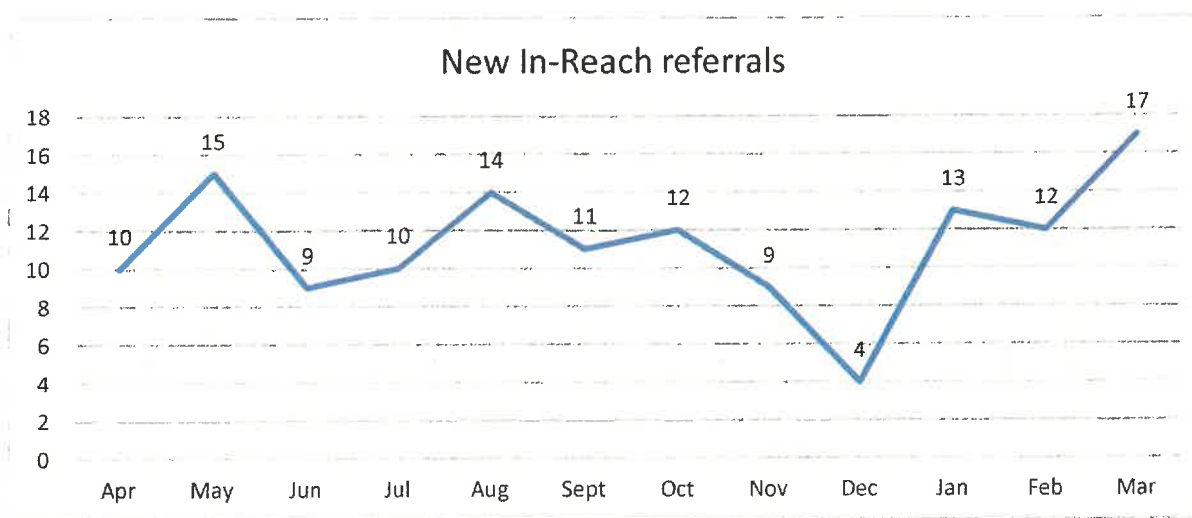
We have been actively engaged in delivering a collaborative approach to specialist palliative care support offered within Ysbyty Aneurin Bevan (YAB). This has been in place for several years, however, recently the model of service provision has changed.

## THE HOSPICE OF THE VALLEYS

An innovative and highly cost-effective approach has been adopted by the core staffing team and the idea that palliative patients be managed on one ward was adopted. Dr Din with the support of Dr Aziz leads the team and service provision. Hospice of the Valleys provide an ANP – Emma Priest. This has been a great example of real partnership working and integration.

Blaenau Gwent is an area of significant health inequalities as well as social and economic deprivation and as such travel out of county to visit dying relatives puts additional financial pressures on families. This model of care provision seeks to identify any appropriate palliative patients from Blaenau Gwent admitted into other hospitals and support their transfer to YAB where their needs can be met appropriately, and the additional pressures reduced. The model is based on a Place Based Care approach to delivering the service.

Having this provision available within the local hospital with input from Hospice of the Valleys also ensures continuity of care upon discharge and any potential further readmissions. The team in YAB can safely hand over palliative patients upon discharge via the ANP based within the service.



### Palliative Pioneers: Developing Two Centres of Excellence. A Partnership between Hospice of the Valleys and Hallmark Luxury Care Homes.

Hospice of the Valleys joined Hallmark Luxury Care Homes in an innovative collaboration to develop two centres of excellence in palliative and end of life care. The two centres are Greenhill Manor, Merthyr Tydfil and Henley Manor, Henley on Thames. The collaboration aimed to advance the quality of palliative and end-of-life care within both luxury care homes by integrating expertise from the hospice and developing the skills of the staff in both Greenhill Manor and Henley Manor. The collective aim was to address the needs of residents and families facing life-limiting illnesses, ultimately enhancing their end-of-life experiences.

### National Reach

#### Hospices Cymru

Hospice of the Valleys plays an active role within Hospices Cymru. During the year we worked together with our peers and with the support of Hospice UK, to clearly identify the funding gap for hospices within Wales, By collaborating and putting a clear and transparent proposal to Welsh Government we were able to secure an extra tranche of funding to address the impact of the cost-of-living crisis on the sector. This had a significant impact on our year-end deficit figure as highlighted in the introduction above in this report

## THE HOSPICE OF THE VALLEYS

We now have a good open dialogue with the government and hope to work together to develop a more sustainable funding model for the sector moving forward.

### Senedd Cross-Party Group on Palliative and End of Life Care.

We have a presence on this committee, feeding in initiatives and challenges which are then fed into the wider cross-party group on health. Staff and patients also fed into the committee giving evidence in the reality of service delivery during COVID. This was compiled into a report and fed into the wider national enquiry into the effects of the pandemic.

### Service Reviews

Colleagues have played an active role in national groups. These have included developing national measures for Patient Reported Outcomes (PROM) and Patient Reported Experiences (PREM). Supporting the development of e-forms on the new national palliative care patient database and supporting workstreams around delivering the National Dementia Action Plan.

### Hospice UK

We have been working with Hospice UK in supporting their ongoing investigation into the impact of poverty and social deprivation on accessing palliative and end of life care.

This began with our Chief Executive writing a 'thought piece' for the Hospice UK Leaders Briefing and website on the topic. Staff from our Family Support Team then presented on the topic at the Hospice UK conference in Liverpool and we have subsequently hosted a local focus group to find out more about the lived experience of residents. We look forward to collaborating further on this piece of work.

### Other Highlights

As can be seen from the finance report below our fundraising team had a good year and retail income held its own during a period of transition

### Welsh Three Peaks Challenge

Our inaugural Welsh Three Peaks Challenge proved so popular that we had to hold a second event.

A massive thank you to all of those who spent hours climbing and descending the three highest peaks in Wales over a weekend. Their efforts raised over £23,000 in sponsorship donations.

### **Progress on our 3-year strategy**

In 2022 we have identified seven strategic aims which are built around those identified by the Cicely Saunders International Centre for Palliative Care. The last year was the second year of our three-year strategy and provided an opportunity to build in the changes and successes achieved in the first year of the strategy

Our current strategic goals are:

1. Provide holistic palliative care expertise in places where people are cared for: at home, in hospitals and in care homes. Make joined up care a reality.
2. Empower patients and carers to have greater choice and control over the things that are important to them.
3. Provide our staff, other healthcare professionals and carers with high-quality training.
4. Use evidence-based decision making to embed a system of continuous learning and improvement.

## **THE HOSPICE OF THE VALLEYS**

5. Deliver a sustainable business model to ensure we are effective in meeting the demands on our services.
6. Engage in research into palliative care.

Over the last 12 months we have made progress on the activities outlined below in our goal to achieve our strategic objectives:

### **1. Provide holistic palliative care expertise in places where people are cared for: at home, in hospitals and in care homes. Make joined up care a reality.**

#### **Focus:**

- Deliver one-to-one bereavement services (face to face, virtual and telephone), bereavement groups, walk and talk, and remembrance services, while exploring new services and recognising people's other care or work commitments.

#### **Activities:**

- We completed the consultation and review of the Family Support Service provision and have begun to implement recommendations to better support local families and the wider clinical team.

#### **Success Indicator:**

- New structure in place new Social Worker recruited, playing an active role in delivering a more varied level of services to local residents via our new Living Well Service.

#### **Focus:**

- Have a clear definition of an identifiable ethos for palliative and end of life care at Hospice of the Valleys

#### **Activities:**

- Create a feedback process to referrers for inappropriate referrals.
- New Living Well Service and CARAID have clearly defined roles in service delivery, Community Service focus has been supported by new Referral Process, but a scheduled review of the community service is due to take place in year 3.

#### **Success Indicator:**

- New referral process implemented and communicated externally, Living Well service has been launched with good uptake from the community. Clinical Nurse Specialists in the community team are now able to focus more on the patients with the greatest needs,

### **2. Empower patients and carers to have greater choice and control over the things that are important to them.**

#### **Focus:**

- Develop stronger links with primary, secondary and tertiary care and local authorities and take services out into community settings.

#### **Activities:**

- Staff are actively participating in Health Board work streams around the dementia standards, bereavement standards and on the Health Board's End of Life Care Board.
- Re-establish an outpatient service
- Maintain active participation in the Gwent Palliative & End of Life Care Board.

## **THE HOSPICE OF THE VALLEYS**

### **Success Indicator:**

- Membership on all working groups for National Dementia Standards, I, Part of the Bereavement Standards steering group. Regular MDT meetings at The Grange, Ysbyty Aneurin Bevan, Ysbyty Tri Chwm, Nevill Hall and at the Motor Neurone Disease meetings. Regular Palliative Care meetings with local GP's
- Established initially as a stand-alone service and now is part of the Living Well service. Initially located in Brynmawr Hub, now in our main office with a look at options in the new Tredegar Health Centre
- Participation and membership of the End-of-Life Care Board Education and Outcomes workstreams.

### **3: Provide our staff, other healthcare professionals and carers with high-quality training.**

#### **Focus:**

- Developing further our person-centred approach, (around the NHS backed 'What matters to you?' initiative) delivering great care according to the needs and requirements of our patients.

#### **Activities:**

- We ran the Hospice UK Rehabilitative Audit to measure our support, enabling patients and carers
- Set up focus groups to identify and overcome any barriers to access our services

#### **Success Indicator:**

- The 'What matters to you' approach is at the core of the new Living Well service.
- Initial groups around CARIAD and Living Well helped inform service development. Some activity, but this needs to become more structure and routine for stakeholders and the hospice to reap the benefits,
- We need to do more with groups to identify any current barriers present.

### **4: Use evidence-based decision making to embed a system of continuous learning and improvement.**

#### **Focus:**

- Create a specific education strategy to underpin sustainable improvements in the quality of end-of-life care.

#### **Activities:**

- Education has been delivered in line with our current contracts and there have been some exciting developments linked to working with Hallmark Homes, but an overarching approach has not been achieved.

#### **Success Indicator:**

- Our education partnership with Hallmark Care Homes has been fruitful, collaborative and well received.
- The focus on delivering current commitments has delayed the creation of a specific education strategy.

#### **Focus:**

- Continue to participate in clinical placements.

## **THE HOSPICE OF THE VALLEYS**

### **Success Indicator:**

- Placements over the last 12 months: Swansea paramedics 10 days. University South Wales Nursing - 28 days. Radiology staff 4days. Cardiff University nursing 8 days. We have received positive feedback from all placements.

### **Focus:**

- Ensuring that all staff have the right competencies, at the right level, in the right role.

### **Activities:**

- Amalgamation of Learning Needs Assessment data from appraisals, development of clinical staff pursuing their post-graduate qualifications.

### **Success Indicator:**

- Skills and training audit survey completed and acted upon.
- This has been completed and a new process for assessing training requests and identified needs has been developed.

## **5: Deliver a sustainable business model to ensure we are effective in meeting the demands on our services.**

### **Focus:**

- Diversifying our income streams by identifying, investigating, and establishing new sustainable business enterprises and expanding our online presence.

### **Activities:**

- Develop an options appraisal for our retail operation
- Seek multi-year funding for projects and services from new and existing funders
- Implement a new legacy strategy
- Submit lottery bids for key discrete services

### **Success Indicator:**

- Part 1 of the retail plan has been completed and we look to move through the next phases,
- Achieved multi-year funding from the Regional Partnership Board, Amser/Carers Trust,
- Initial work with consultant completed and the legacy marketing materials have been produced.
- Lottery bid for CARIAD was successful.

## **6: Engage in research into palliative care.**

### **Focus:**

- Encourage staff to participate and lead in research., seeking opportunities to publish outcomes of service delivery and innovations.

# THE HOSPICE OF THE VALLEYS

## Activities:

- We continue to feed into research requests and work with Hospice UK and Hospices Cymru to use data to drive decisions and campaigns.

## Success Indicator:

- Citations in research papers and copies of reports.

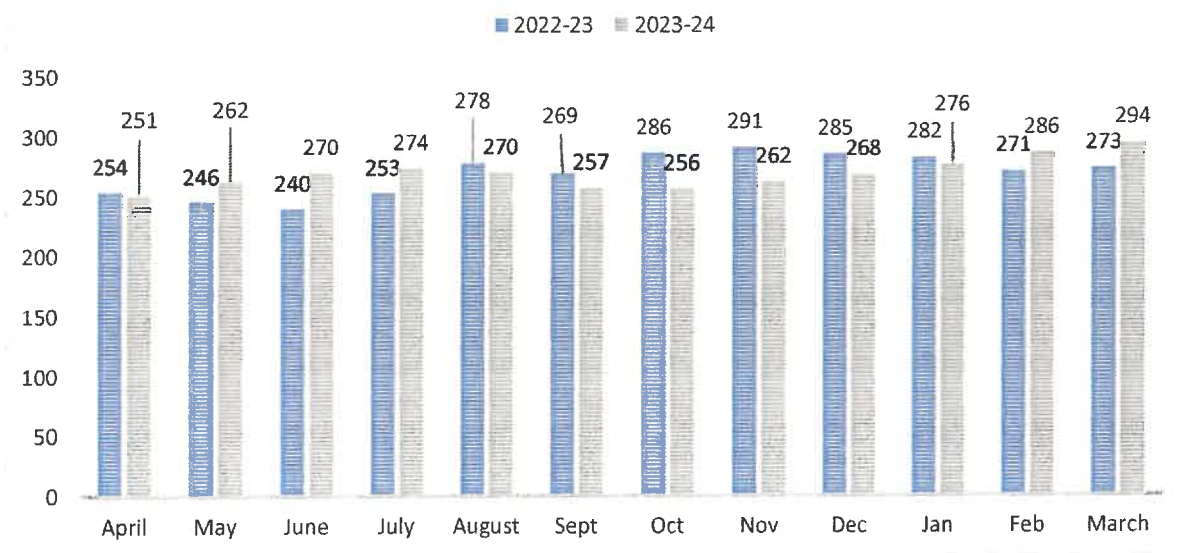
## Our activity over the last 12 Months

Patient numbers peaked during the lockdown period of COVID. This may be due to the fact that we maintained a 'business as usual' approach to delivering services and were one of the few organisations to still see people face to face. Since then, numbers have stabilised, though the complexity of patients within the caseload have increased. We continue to monitor this and work with other organisations to see if we can identify trends and caused behind this spike in complexity.

Last year saw the organisation review our referral form and process for accessing services. Our referral criteria did not change, but the process needed a refresh to ensure that there was a more consistent approach to applying out existing criteria. The review process for this change will be concluded in September 2024. The initial impact of the changes saw a drop in new referrals accessing the community service and this continued until the Living Well service was fully up and running and was able to pick up patients and families earlier in their prognosis and bale to access groups and drop-in services.

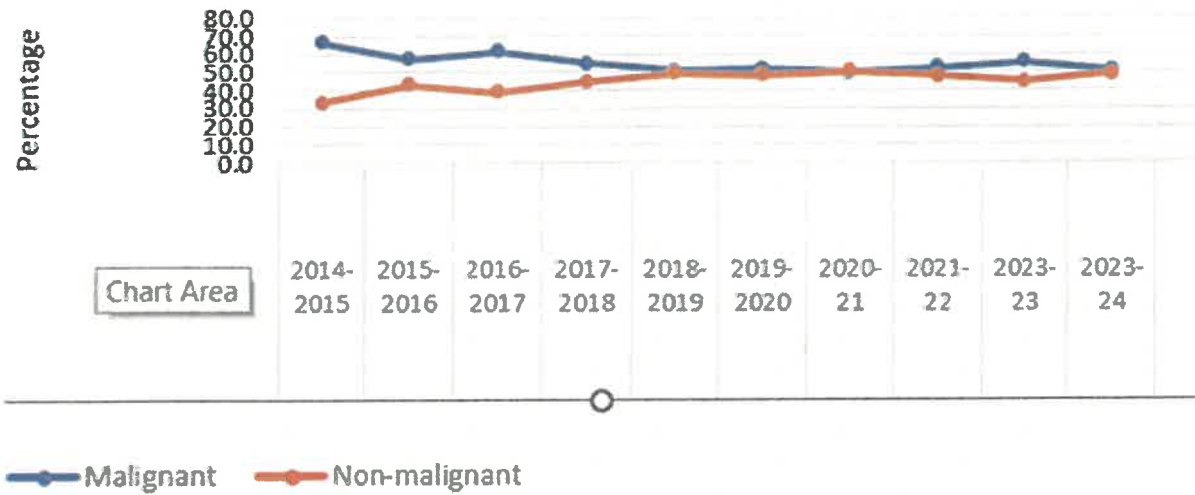
The graph below shows the number of patients receiving support from Hospice of the Valleys in each month, with figure for the previous year included for comparison. As highlighted above, it can be seen that patient numbers have stabilised over recent years.

## PATIENTS IN CARE 2022-23 AND 2023-24

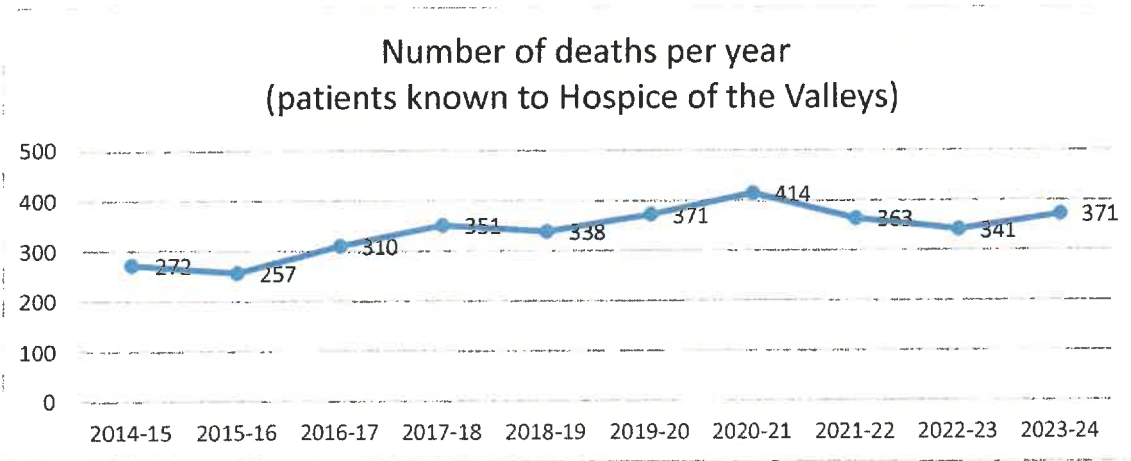


## THE HOSPICE OF THE VALLEYS

In the last 12 months 51% of patients had a cancer diagnosis and 49% a non-malignant primary diagnosis. The balance of diagnosis that has remained consistent over the last 7 years, with the only change being that in 2 of these years the number of patients with a non-cancer diagnosis exceeded those with a cancer diagnosis.



The graph below shows how many patients and families we supported during the last days of life. Outside of the spike during the peak of the pandemic numbers have been consistently around the high three hundred over recent years,

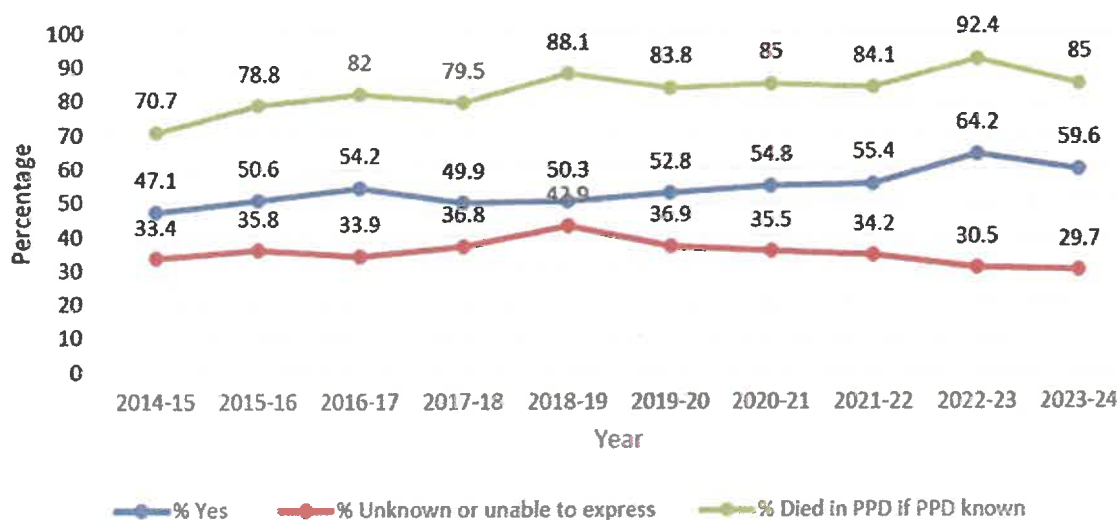


Dying in a preferred place of death is an important aspect of end-of-life care. For most patients this will be home, but not all. Capturing and measuring death in preferred place of care is now a routine part of our clinical meetings and data capture. The chart below shows that when a patient is able to express their wishes for the Preferred Place of Death (PPD) we were able to support these wishes for 85% of patients. This is a figure that we have been able to consistently deliver year on year.

There is scope for the PPD figure below to rise, as the previous year's figure shows. However, circumstances around a complex death with patients living with multiple conditions and interactions with other elements of the healthcare system can have an impact on the final place of death.

## THE HOSPICE OF THE VALLEYS

### Achieving patient's wishes for Preferred Place of Death



### The Living Well Service

The most significant development this year has been the introduction of the Living Well service.

In August 2023 we applied for a small grant through the regional integrated fund to provide therapies for wellbeing. The bid was successful, and we utilised this funding to pilot a new model of service provision. Our Clinical Specialist Physiotherapist was tasked with leading on the creation of this service.

The Living Well Service was designed to help our patients and their families to adjust to and live well with a terminal illness. Living Well provides an outpatient service for our patients, their families and carers, through life and into bereavement. The aim of the service is to provide a bespoke episode of care to meet a person's identified needs at that time. The input varies dependent upon the needs and goals identified in a joint assessment and may involve one to one or group sessions. Patients are expected to attend sessions rather than receive their input at home.

A review of the pilot which will be delivered in July 2024.

### Hospice at Home

Our Hospice at Home service provides support for those with complex needs to enable them to stay in their preferred place of care for longer and avoid hospital admissions where possible.

Support overnight has a proven carer benefit, allowing carers to have complete rest which enables them to continue with their caring role.

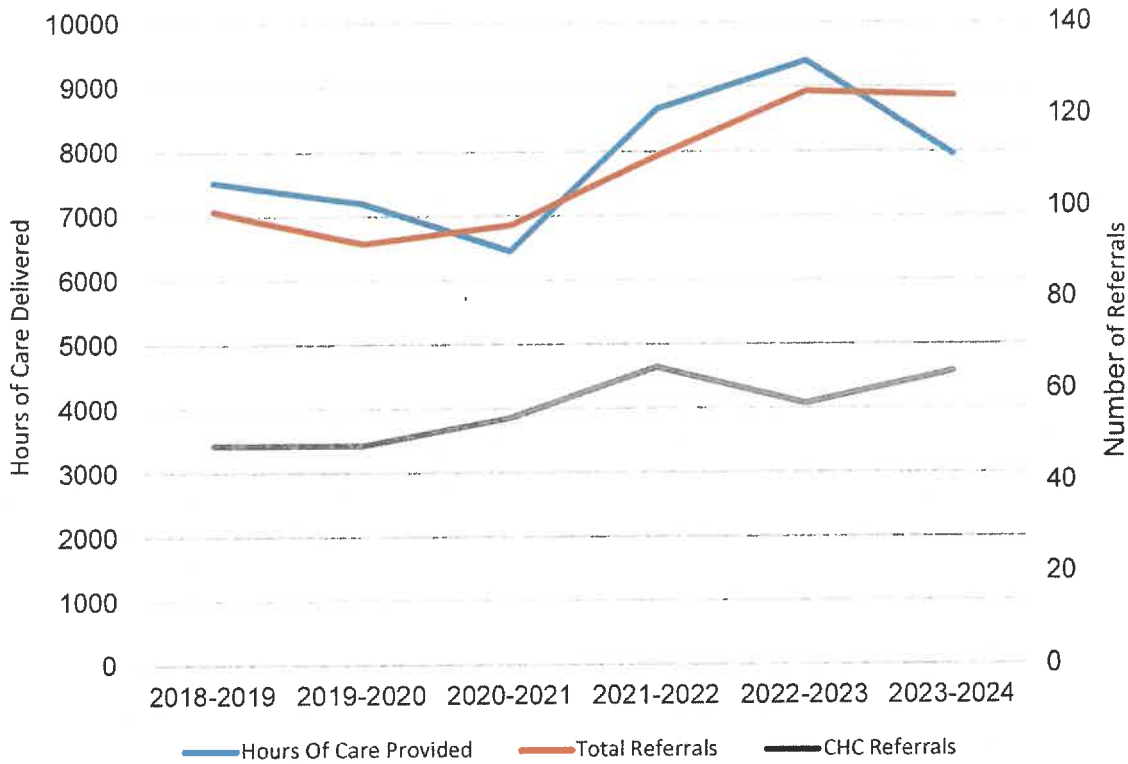
This year the service has been inspected by Care inspectorate Wales, the feedback from the review was positive. All areas identified for improvement in the previous inspection had been met, with no new areas of concern documented. This was a very positive outcome for the service and merit should be given to the Registered Manager and the team for their dedication and hard work.

Each year we receive referrals for patients who can access Continuing Health Care (CHC) fast-track funding, usually during the last few weeks of life. The chart below shows the number of referrals the service has received over recent years.

There is not a linear link between the number of referrals and the number of hours of care delivered. The 'care package' is based on the individual needs of the patient and the family.

**THE HOSPICE OF THE VALLEYS**

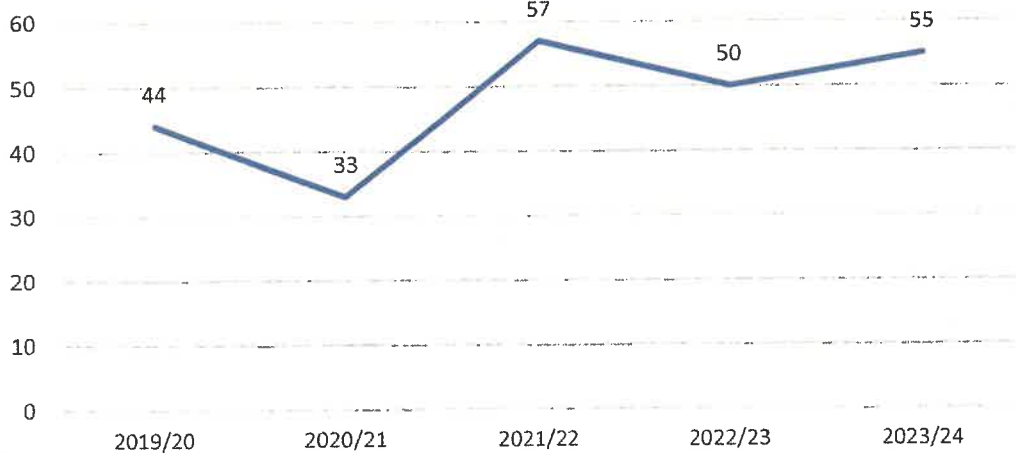
**Hospice at Home Service**



**CARIAD Dementia Service**

The service is led by a senior Social Worker and has a health care assistant and a dementia support worker. The service supports people living with a dementia diagnosis, their carers and loved ones. The service is well valued within the community and by partnership organisations. The number of referrals seen for the service remains high due to the need within the community and the lack of services for people living with dementia in Blaenau Gwent.

**Number of New Referrals - CARIAD**



During this year the service successfully secured Lottery community funding of £260k over the next 3 years. This provides the service with security and stability for the future and enables the service to develop further with additional staff being introduced, allowing more people living with dementia to benefit from the service.

## THE HOSPICE OF THE VALLEYS

### Education Delivery

We have maintained our commitment to delivering education to the community we work in, delivering education sessions on palliative and end of life care, bereavement and loss, and early on set dementia training, across Blaenau Gwent, Caerphilly and Cwm Taf.

We successfully delivered Care Decisions Training to NHS staff within ABUHB and have developed a partnership with Hallmark Care Home to deliver training in their care homes both in Merthyr Tydfil and Henley on Thames. This will continue in 2024.

We have continued to welcome student paramedics from Swansea University and third-year nursing students from the University of South Wales.

Education Title	Delivered to	No of Attendees	Total Hours
Principles and Practice of Palliative and End of Life Care	Allied Healthcare Professionals	40	28
Palliative Care Services	Medical Students / GP ST2	9	5
Palliative Care Social Work	Social Work Students, University of South Wales	20	2
Bereavement & Loss	Multi-disciplinary staff	74	16
Palliative and End of Life Care	Multi-disciplinary staff in Cwm Taf, Caerphilly, and Blaenau Gwent	99	56
Early On-Set Dementia	Multi-disciplinary staff in Caerphilly, and Blaenau Gwent	29	14
End of Life Care	Hallmark Care Homes	22	7
Care Decisions	Community Hospitals in ABUHB	68	



**Mr Michael Bobbett**  
Chairman

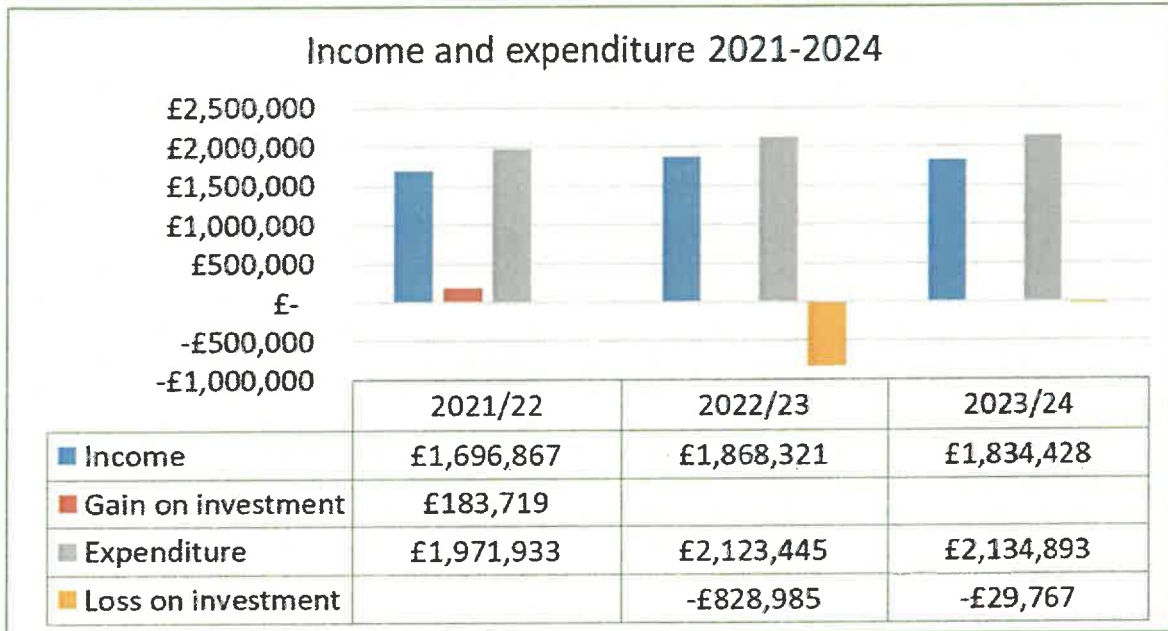
# THE HOSPICE OF THE VALLEYS

## Financial Review

2023/24 was another year full of uncertainty, price rises and global and economic unrest. All these factors prove difficult to manage for many charities, but particularly for the hospice sector.

The net expenditure in 2023/24 was £300k (£255k 22/23). There was a loss on investment of £30k in 2023/24 (Loss of £829k in 22/23). This resulted in a net movement in funds for the year of £330k deficit (£1,084k deficit in 22/23).

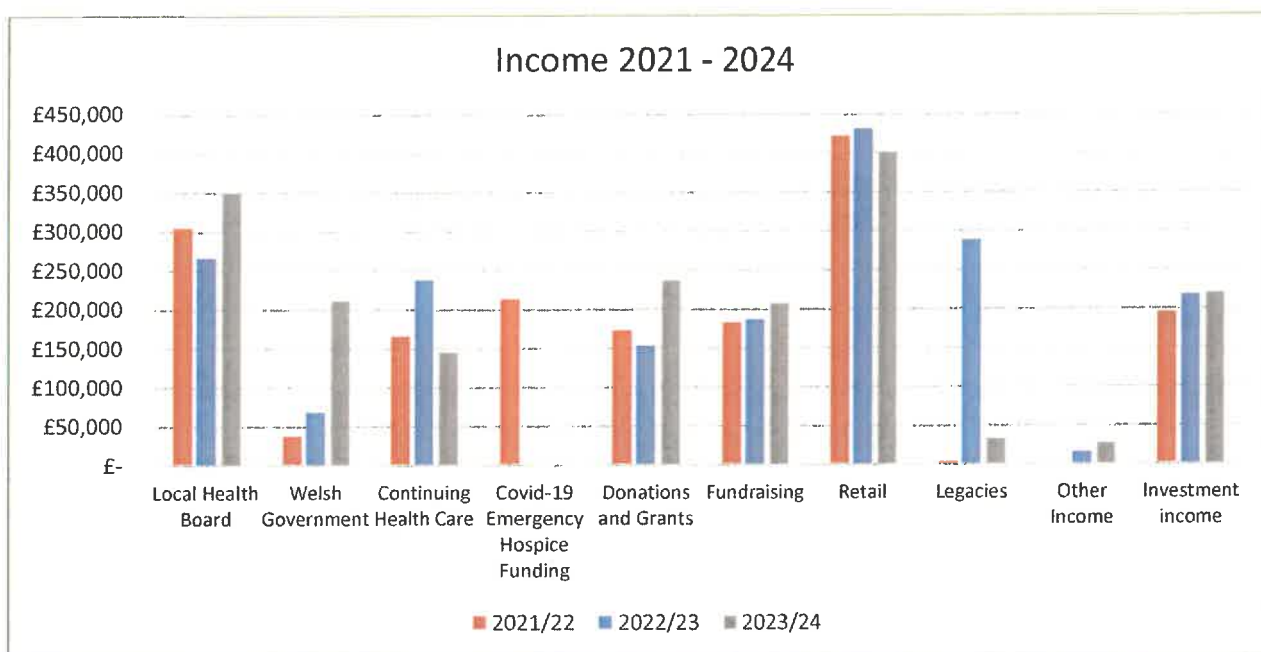
## Income and expenditure



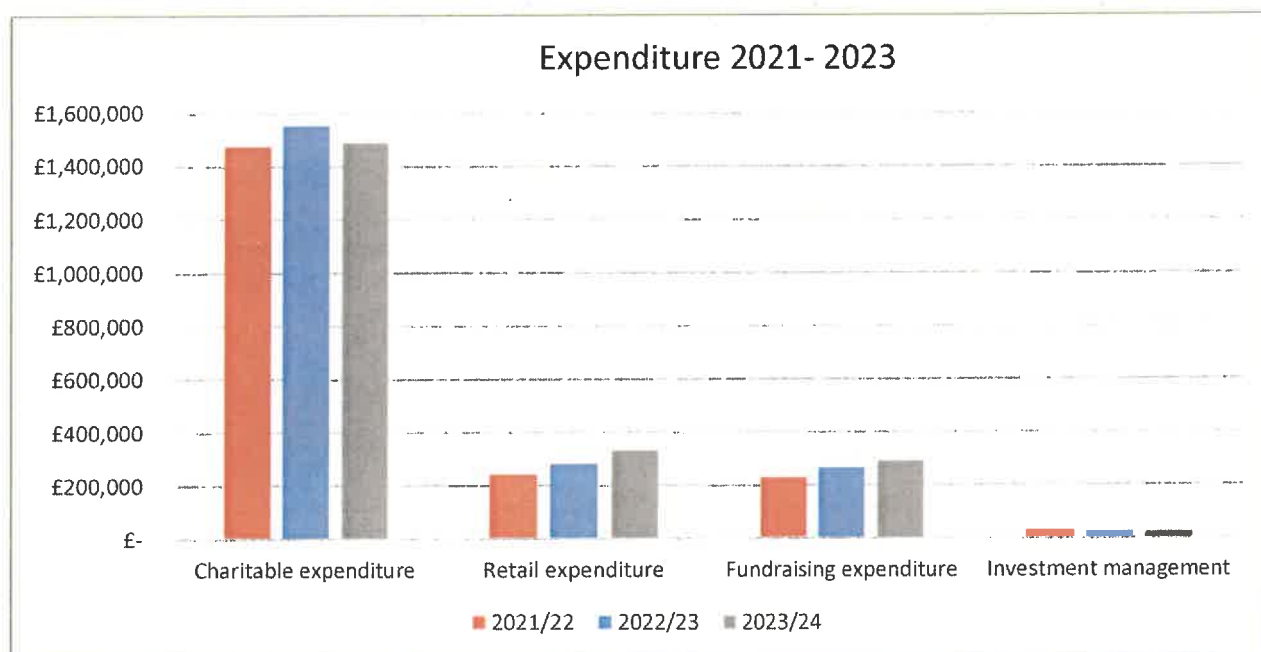
Overall income in 2023/24 was £34k lower than the prior year. This was mainly due to legacy income being £256k lower than prior year. Legacies by their nature are very sporadic and hard to predict. £155k of additional funding from the Welsh Government and extra income from fundraising and grants & donations helped to plug the gap.

A summary of income received over the last three years:

## THE HOSPICE OF THE VALLEYS



As expected, our largest expenditure is delivering Hospice Care to the population of Blaenau Gwent. In 2023/24 we spent £1.488m (2022/23: £1.553m) which accounted for 70% of Hospice expenditure (2023/24: 73%). Total expenditure in 2023/24 was £2.135m (2022/23: £2,123m).

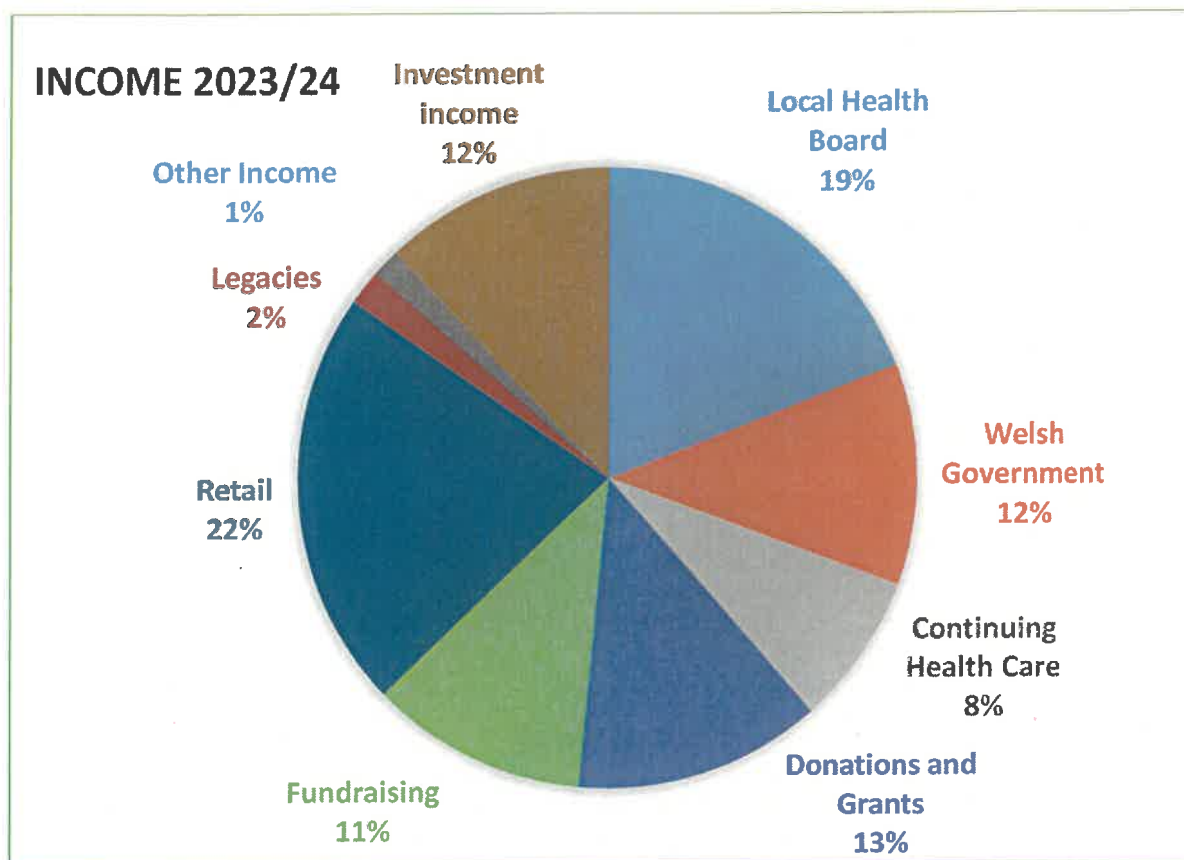


Demand on our service continues to grow, as does our cost base, this is against a backdrop of market political and government forces that affects both the ability of the hospice to secure targeted government / public funding and navigate the uncertainty around raising income from its local community.

After transfers between funds, unrestricted reserves now stand at £271k restricted reserves at £5.8m

# THE HOSPICE OF THE VALLEYS

## Principal Funding Sources



The principal funding sources for the last 3 financial years can be seen below:

Income split	2021/22	2022/23	2023/24
Local Health Board	305,003	266,787	350,115
Welsh Government	37,497	68,593	211,611
Continuing Health Care	165,516	238,317	145,700
Covid-19 Emergency Hospice Funding	213,014		
Donations and Grants	172,556	153,394	237,261
Fundraising	182,434	186,938	207,642
Retail	421,261	431,047	401,145
Legacies	3,500	289,016	33,303
Other Income	909	16,099	27,560
Investment income	195,177	218,130	220,091
	<b>1,696,867</b>	<b>1,868,321</b>	<b>1,834,428</b>

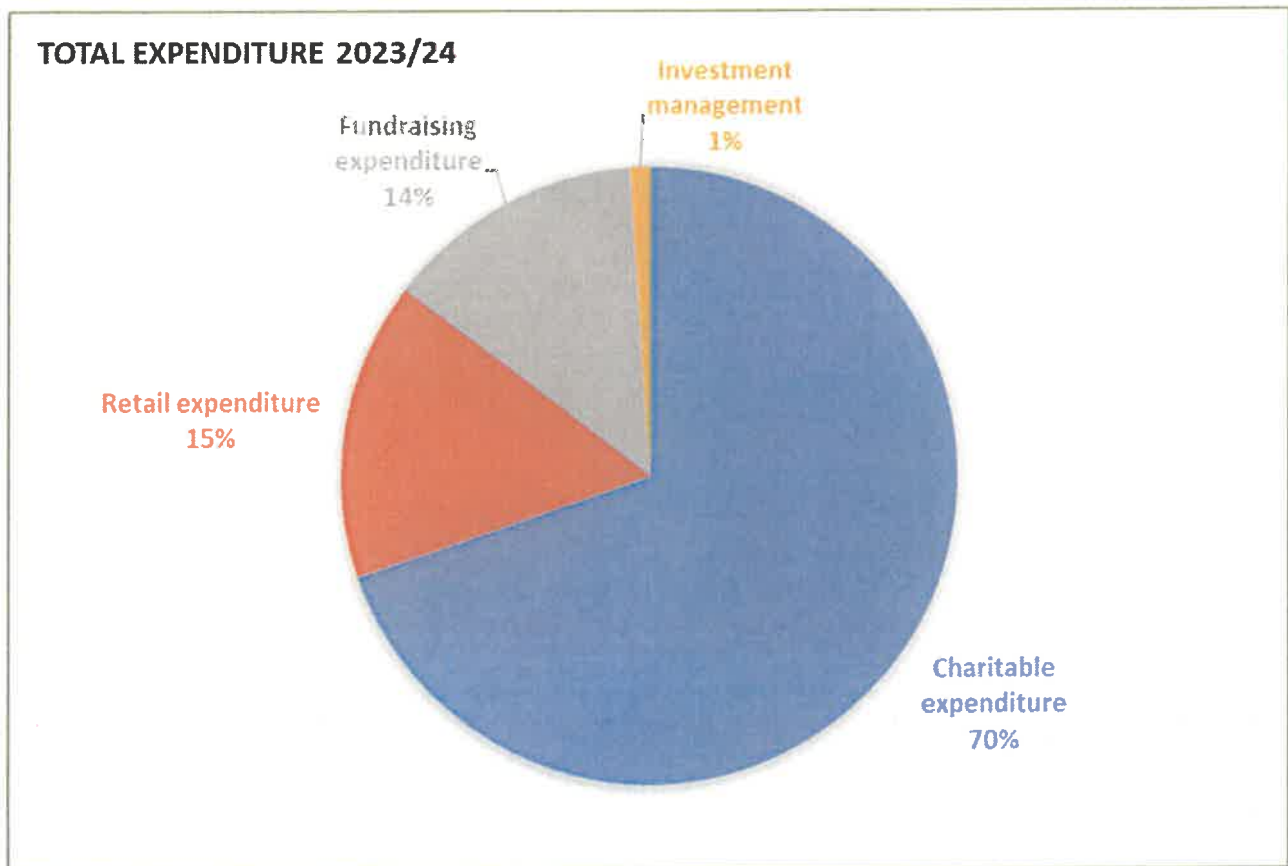
Income generation contributed 49% of total income (2022/23: 58%), this includes legacy income which was substantially lower in 23/24 at £33k vs 2022/23 when it was £289k, these substantial swings skew the %'s.

%'s excluding legacy income:

Income generation contributed 48% of total income (2022/23: 42%).

## THE HOSPICE OF THE VALLEYS

Local Health Board, Welsh Government and Continuing Health Care services income contribute 39% (2022/23: 31%) of total income. 2023/24 income was given a boost of £155k at the end of the year. Investment income contributed 12% (2022/23: 11%).



Total expenditure in 2023/24 was £2.135m (£2.123m 22/23). Staff costs represent 78% or £1.667m (£1.681m 79% in 22/23). £1.489m relates to Charitable activities and is analysed further in note 7 to the accounts.

### Reserves Policy

Hospice of the Valleys provides palliative care to the population of Blaenau Gwent. It is a core service provider on behalf of the Aneurin Bevan University Health Board and delivers the only Community Specialist Palliative care service in the borough. By any standards, the provision of health care is an expensive business, and the Hospice is not immune from the high costs associated with employing specialist healthcare professionals to deliver the service.

The demographics of the borough of Blaenau Gwent are such that it is widely recognised as being one of the poorest areas in Wales and the UK. This can be measured in terms of income, unemployment rates, home and car ownership and morbidity rates. In considering the need for reserves the Hospice takes the position that its clinical service is essential to this population. Sufficient funds should be available to ensure continued delivery of this service for between 9- and 12-months during periods when volatile income falls below predicted levels.

Normally a reserve of six months would be considered acceptable for a charity. However, the essential nature and high cost of our service to the population, together with possible difficulties fundraising locally in such a deprived area, indicate a responsibility to extend our capacity beyond a six-month period.

# THE HOSPICE OF THE VALLEYS

## Reserves Statement

Reserves will be maintained at levels sufficient to maintain services for between 9 and 12 months in accordance with the following procedure:

- The Head of Finance will present a financial report in accordance with the Hospice financial reporting policy at each Trustees meeting. Reports will include income, expenditure and cash flow forecasts and financial risk assessments together with impact of these on the level of reserves.
- At each Trustees meeting the level of reserves will be reviewed in accordance with the above, taking into account changes in service, income and costs incurred by the organisation.
- In the event of a surplus in reserve funds, the Chief Executive and Head of Finance will decide to move funds as appropriate to maximise interest from any surplus. The level of surplus will be reported to the Board of Trustees who will arrange for the disposal of the surplus funds in accordance with the objects of the Hospice.
- A deficit in reserve funds will be reported to the Board of Trustees and a recovery plan will be presented by the Chief Executive for discussion.

## Required Level of Reserves

In 2024/25 the level of expenditure is budgeted to be £2.4m. This covers all functions of the Hospice including the Clinical Service, Administration and Fundraising. To provide a fully functioning organisation, assuming that no income is received for twelve months, it is anticipated that a cash reserve fund equalling expenditure each year is maintained.

However, our investment portfolio was constructed for the sole purpose of realising a regular cash income to help meet the running costs of the Hospice. (This is the reason for the original gift of £5.2m in 2007). The cash withdrawn from our investment portfolio in 2023/24 was £190k (2022/23: £560k).

A cash-flow contingency fund is also required to ensure the Hospice can meet its monthly obligations in terms of wages, pensions and PAYE should any short-term interruptions to income streams occur. A two-month contingency fund would be sufficient to give Hospice managers time to investigate and correct any income problems. A two-month contingency fund would need to be £400k.



The Hospice manages creditors efficiently and strives to pay all invoices on or before the due date. This means that the amount of cash owing is maintained at the lowest possible level. Most day-to-day invoices are for “hundreds” rather than “thousands” of pounds. At the year end, trade creditors due within 1 year amounted to £86k (Trade Creditors £25k).

## **THE HOSPICE OF THE VALLEYS**

The Board of Trustees considers the Hospice Finances at its quarterly meetings which include an updated forecast to the end of the Financial Year, a cashflow forecast and risk management. The Head of Finance prepares a 12-month rolling forecast and is in the process of preparing a 3-year forecast to allow the board of trustees to consider the main risks to the charity and to allow adequate time to plan for the future of the hospice.

At the end of March 2024 cash reserves stood at £167k (22/23 £550k). In 23/24 we have used our cash reserves to protect our investment portfolio from drawdown in the hope it will recover.

The requirement of 9 months running costs of £1.8m and the “cash-flow” contingency reserve of £400k (£2.2m in total), means there is a cash reserves deficit of £2.03m.

However, our investment manager advises that the entire portfolio could possibly be liquidated within two weeks with a total value as of 31<sup>st</sup> March 2024 of £5,803,800. More immediately, the Treasury stocks, with a value of £1.3m (as of 31 March 2024), could be realised in 24 hours. All of these are of course subject to the market state, but under normal circumstances the above can be taken as a good guide.

### **Fundraising**

This section of the report, in line with the reporting requirements set out in the Charities Act 2016, explains our approach to fundraising activities.

A diverse and sustainable approach to income generation and fundraising is essential if Hospice of the Valleys continue to develop services to meet the needs of the local population.

As a local charity embedded in its local community, and dependent on that local community for its support, we benefit from the high visibility of our services and of the work we do to support patients and their families/carers from the local communities. We have an in-house income generation team and spread our fundraising activities across a number of different income streams, including fundraising from individuals and groups in the community, local businesses, gifts in wills, and applying for grants from trusts and foundations.

It is very important to Hospice of the Valleys that our fundraising is carried out to the highest standard as any failure in those standards would be immediately evident to our supporters and would impact directly on the support we currently receive. We are registered with the Fundraising Regulator. Fundraising activities carried out on our behalf are monitored as closely as possible and adhere to our own internal policies including our GDPR Policy. We have a contract with our lottery provider that has clear and distinct guidelines around identifying potentially vulnerable individuals and expected pathways/ behaviours by fundraisers. This activity is monitored by both the lottery provider and our own Income Generation lead.

Members of the public raising funds 'in aid of' Hospice of the Valleys are asked to provide full information about their activity to us in advance of it taking place wherever possible and use our 'in support of' logo in promotional materials. Hospice of the Valleys takes particular care to protect vulnerable people who may wish to donate in support of our work.. Many of our supporters could be deemed to be in vulnerable circumstances due to current or previous bereavement. We have clear guidelines in place that stipulate the terms in which we may make contact with a patient I family member, which provides an element of reassurance regarding their vulnerability. However, wherever we suspect a supporter is in vulnerable circumstances or lacks capacity in our contact with them, our fundraisers must take steps to end that contact in a positive and kind manner that protects their dignity and any desire they have expressed to support Hospice of the Valleys. We recognise that everyone has the right to support their favourite causes and charities, , but we also acknowledge that Hospice of the Valleys has an obligation to protect those in vulnerable circumstances,

Hospice of the Valleys fundraising plans and related activities are overseen and monitored by a sub-Committee of the Board of Trustees, the Income Generation Committee. During the financial year 2023/24 there was no failure to adhere to the Fundraising Standards Board Codes of Fundraising Practice, no opt out requests or complaints about fundraising were received during the year via the Fundraising Preference Service.

# THE HOSPICE OF THE VALLEYS

## Responsibilities of the Trustees

The trustees (who are also directors of Hospice of the Valley for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the management committee are required to prepare financial statements for each financial year. Under company law the management committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these statements, the committee are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and 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 assume that the company will continue on that basis.

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

Insofar as each of the committee of management of the charity at the date of approval of this report is aware there is no such relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

### **Auditor**

Auditors for the year ended 31st March 2025 will be appointed at the forthcoming AGM.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities FRS102, Charities Act 2011 and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the council of management on

and signed on their behalf by

*mg Bobbett*  
.....  
(Signed)

*M J M Parker*  
.....  
(Signed)

*MICHAEL BOBBETT*  
.....  
(Name)

*MATHEW MORRIS-PARKER*  
.....  
(Name)

# **THE HOSPICE OF THE VALLEYS**

## **Independent Auditor's Report to the Trustees of Hospice of the Valleys**

### **Opinion**

We have audited the financial statements of The Hospice of the Valleys (the 'charitable company') for the year ended 31<sup>st</sup> March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31<sup>st</sup> March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **THE HOSPICE OF THE VALLEYS**

### **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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Officers and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related trade union legislation) and taxation regulation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the Officers.

## THE HOSPICE OF THE VALLEYS

- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement on the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **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.



Richard Phillips FCCA (Senior Statutory Auditor)  
for and on behalf of Baker Knogle Audit Limited  
Statutory Auditors  
Orbit Business Centre  
Merthyr Tydfil  
CF48 1DL

Date: ..... 14/11/24 .....

## THE HOSPICE OF THE VALLEYS

### Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 March 2024

	NOTES	UNRESTRICTED FUNDS £	RESTRICTED FUNDS £	DESIGNATED FUNDS £	31/03/24 TOTAL FUNDS £	31/03/23 TOTAL FUNDS £
<b>Income from:</b>						
Donations and Legacies	3	148,101	122,463	-	270,564	442,410
<b>Charitable activities:</b>						
Local Health Board service level agreement		-	350,116	-	350,116	266,787
Welsh Government Aneurin Bevan University Health Board		-	211,610	-	211,610	68,593
Board		-	145,700	-	145,700	238,317
<b>Other trading activities:</b>						
Shop and merchandise sales		401,145	-	-	401,145	431,047
Fundraising		207,642	-	-	207,642	186,938
Investments	4	3,649	216,441	-	220,091	218,130
Other	5	10,726	16,834	-	27,560	16,099
<b>Total Incoming Resources</b>		<u>771,264</u>	<u>1,063,164</u>	<u>-</u>	<u>1,834,428</u>	<u>1,868,321</u>
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Shops and merchandise		332,216	-	-	332,216	281,360
Fundraising		291,298	-	-	291,299	264,972
Investment management	6	-	22,596	-	22,596	24,106
<b>Charitable activities</b>	7	<u>626,361</u>	<u>862,423</u>	<u>-</u>	<u>1,488,783</u>	<u>1,553,007</u>
<b>Total Expenditure</b>		<u>1,249,874</u>	<u>885,019</u>	<u>-</u>	<u>2,134,892</u>	<u>2,123,444</u>
Gains/losses on investments		-	(29,767)	-	(29,767)	(828,985)
<b>Net Income / (Expenditure)</b>		(478,610)	178,145	-	(300,464)	(255,123)
Transfers between funds	19	257,187	(257,187)	-	-	-
<b>Net movement in funds for the year</b>		(221,423)	(108,809)	-	(330,231)	(1,084,108)
Exceptional Items		-	-	-	-	-
<b>Net movement in funds</b>		<u>(221,423)</u>	<u>(108,809)</u>	<u>-</u>	<u>(330,232)</u>	<u>(1,084,108)</u>
<b>Reconciliation of funds:</b>						
<b>Balances brought forward</b>		<u>492,397</u>	<u>5,912,609</u>	<u>-</u>	<u>6,405,006</u>	<u>7,489,115</u>
<b>Balances carried forward at</b>						
<b>31st March 2024</b>	20	<u>270,974</u>	<u>5,803,800</u>	<u>-</u>	<u>6,074,774</u>	<u>6,405,006</u>

The notes on pages 28 to 42 form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.

# THE HOSPICE OF THE VALLEYS

## Balance sheet As at 31<sup>st</sup> March 2024

	Notes	2024		2023	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		-		-
Tangible assets	11		20,125		35,006
Investments	12		5,803,801		5,829,722
			<u>5,823,926</u>		<u>5,864,728</u>
<b>Current assets</b>					
Stocks	13	396		298	
Debtors	14	246,485		198,674	
Cash at bank and in hand		166,743		550,314	
Investment short term deposits		1,716		1,716	
		<u>415,341</u>		<u>751,002</u>	
<b>Creditors:</b>					
Amounts falling due within one year	15	<u>(164,493)</u>		<u>(210,724)</u>	
<b>Net current assets</b>			<u>250,848</u>		<u>540,278</u>
<b>Amounts falling due after one year</b>	16		-		-
<b>Total assets less current liabilities</b>			<u>6,074,774</u>		<u>6,405,006</u>
<b>Capital and reserves</b>					
General Reserves					
- Unrestricted Funds	17		270,974		492,397
- Designated Funds	18		-		-
Restricted Funds	17		5,803,800		5,912,609
			<u>6,074,774</u>		<u>6,405,006</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the council of trustees on 14<sup>th</sup> November 2024 and signed on its behalf by:

MJBobbett  
(Signed)

M. J. M. Parker  
(Signed)

MICHAEL BOBBETT  
(Name)

MATHEW MORRIS-PARKER  
(Name)

Companies House Registered Number 2007005

## THE HOSPICE OF THE VALLEYS

### Statement of Cash Flows for the year ended 31<sup>st</sup> March 2024

	Notes	2024 £	2023 £
<b>Cash flows from operating activities:</b>			
Net cash (used in) operating activities	26	<u>(584,222)</u>	<u>(412,262)</u>
<b>Cash flows from investing activities</b>			
Interest from investments		3,649	1,112
Purchase of tangible/intangible fixed assets		-	(29,639)
Transfers from investments		190,000	560,000
Proceeds from disposal of fixed assets		7,000	7,000
<b>Net cash provided by investing Activities</b>		<u>200,649</u>	<u>538,473</u>
<b>Increase (decrease) in cash and cash equivalents in the year</b>		(383,573)	126,210
<b>Cash and cash equivalents at the beginning of the year</b>		<u>552,031</u>	<u>425,821</u>
<b>Total cash and cash equivalents at the end of the year</b>		<u>168,458</u>	<u>552,031</u>

## **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

### **1. Charity information**

The Hospice of the Valleys was incorporated in England and Wales as a company limited by guarantee with Companies House (registered number 2007005) and has no share capital. The Hospice of the Valleys was also registered with the Charity Commission (registered number 517724). The address of the registered office is Festival Drive, Ebbw Vale, Gwent, NP23 8XF.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

### **2. Accounting policies**

#### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The incorporated charity is registered in England and Wales.

#### **Going concern**

The charity produces annual budgets and forecasts which take into account expected changes in the funding streams and which demonstrate that the charity will be able to continue to operate. Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and are not aware of any material uncertainties regarding this assumption. On this basis, the trustees consider it appropriate to continue to prepare the financial statements on the going concern basis.

#### **Income**

All income is included in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The following specific policies are applied:

#### **Voluntary Income**

Voluntary income is income received by way of grants, gifts or donation. These are included in full on receipt unless it is subject to a condition when it is treated as deferred income.

#### **Gifts in Kind**

The value of services provided by volunteers is not quantified.

#### **Deferred Income**

Income or grants received in advance are held as deferred income and carried forward to future accounting periods to be released when the defined purpose of the work or project have been completed, approved or certified.

#### **Investment Income**

Investment income is included when receivable.

# **THE HOSPICE OF THE VALLEYS**

## **Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024**

### **Trading Income**

Trading income is recognised when earned.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

### **Costs of Generating Funds**

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops.

### **Charitable Expenditure**

Charitable expenditure comprises those costs incurred by the charity in delivery of its activities and service for its beneficiaries. It includes the costs that can be attributed directly to those activities and those costs of an indirect nature necessary to support them.

### **Governance Costs**

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

### **Investments**

Listed fixed asset investments are included at fair value (quoted market price in an active market). All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

### **Fund Accounting**

- Restricted funds are to be used for specific purposes laid down by the donor. Expenditure which meets these criteria is allocated against the fund.
- Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes and are expendable at the discretion of the trustees in furtherance of the objects and administration of the charity.
- Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

### **Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are charitable objects

### **Operating leases**

Rentals applicable to operating leases where substantially all the risks and benefits of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

## **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

### **Financial instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised as transaction value and subsequently measured at their settlement value.

### **Intangible fixed assets**

Software has been capitalised and amortised over its useful life of 5 years.

### **Tangible fixed assets**

Fixed assets (excluding investments) are included at cost less an appropriate provision for depreciation. Items donated or purchased for a cost of less than £500 are not capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office Equipment	- 20% on cost
IT Equipment	- 33% on cost
Clinical Equipment	- 20% on cost
Shop Fixtures	- 20% on cost
Motor Vehicles	- 25% on reducing balance
Day Centre	- 20% on cost
Property Improvements	- Over period of lease

### **Stocks**

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Donated stock held at charity shops is not valued.

### **Interest receivable**

Interest on funds held on deposit is included when receivable, and the amount can be measured reliably by the charity.

### **Cash at bank and in hand**

Cash at bank and cash in hand includes current and short-term liquid deposit accounts with a short maturity.

### **Debtors**

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

### **Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due can be measured or estimated reliably.

Creditors are normally recognised at their settlement amount after allowing for trade discounts.

### **Pensions**

The charity contributes to a defined benefit scheme operated by the NHS. The charity also contributed to some employees' personal pension schemes.

The NHS scheme is a defined benefit scheme which is unfunded. This is a multi-employer pension scheme based on final pensionable pay, contributions being charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company. The charity accounts for the scheme as a defined contribution scheme and is not required to account for any of the assets or liabilities of the scheme in accordance with FRS102.

# **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

## **3. Donations and Legacies**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Designated</b>	<b>2024 Total</b>	<b>2023 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Charitable Trusts	33,647	122,463	-	156,110	88,100
Voluntary Donations	81,151	-	-	81,151	65,294
Miscellaneous	-	-	-	0	0
Legacies	33,303	-	-	33,303	289,016
	<u>148,101</u>	<u>122,463</u>	<u>-</u>	<u>270,564</u>	<u>442,410</u>

## **4. Investment Income**

	<b>2024 £</b>	<b>2023 £</b>
Dividends - UK equities	207,112	192,350
Interest on cash deposits within investment portfolio	-	-
Interest on fixed interest securities	8,502	24,101
Interest on current accounts	4,477	1,679
	<u>220,091</u>	<u>218,130</u>

## **5. Other Income**

	<b>2024 £</b>	<b>2023 £</b>
Kickstart grants	-	12,687
Young dementia project fund	16,834	-
Training income	10,726	3,412
	<u>27,560</u>	<u>16,099</u>

## **6. Investment Management Costs**

	<b>2024 £</b>	<b>2023 £</b>
Investment management fees	22,595	24,106
	<u>22,595</u>	<u>24,106</u>

## **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

### **7. Analysis of Charitable Expenditure**

Notes	Unrestricted	Restricted	Total	Total
	2024	2024	2024	2023
	£	£	£	£
Medical salaries and pensions	190,411	857,469	1,047,879	1,101,845
Social worker salaries and expenses	1,544	-	1,544	1,967
Drugs and medical supplies	82	-	82	96
Clinic rent	-	-	-	-
Motor expenses	13,902	-	13,902	15,912
Clinic food and other costs	-	4,719	4,719	4,128
Clinical equipment maintenance	398	-	398	4,122
Telephone costs	3,964	-	3,964	5,244
Training	9,930	-	9,930	9,921
Recruitment	-	-	-	-
Medical equipment depreciation	37	-	37	37
Equipment loss on disposal	-	-	-	-
Miscellaneous	-	235	235	621
Support costs	314,973	-	314,973	325,308
Governance	91,121	-	91,121	83,806
	<u>626,361</u>	<u>862,423</u>	<u>1,488,783</u>	<u>1,553,007</u>

### **8. Resources Expended – Allocation of Support Costs**

Support costs allocated to activities	Basis of allocation	Fund	Charitable	Governance	2024	2023
		Raising	Activities		Total	Total
		£	£	£	£	£
General office and finance staff	Salary costs	57,584	190,463	55,100	303,148	283,856
Premises	Salary costs	15,936	52,711	15,249	83,896	82,251
Insurance	Salary costs	2,872	9,500	2,748	15,121	14,566
IT & Communications	Salary costs	9,766	32,303	9,345	51,415	50,917
Legal & Professional	Salary costs	6,133	20,285	5,868	32,287	35,437
Depreciation	Salary costs	1,180	3,904	1,129	6,214	12,237
Motor Expenses	Salary costs	378	1,250	362	1,989	2,298
Miscellaneous	Salary costs	1,378	4,556	1,318	7,252	11,624
		<u>95,228</u>	<u>314,973</u>	<u>91,121</u>	<u>501,322</u>	<u>493,187</u>

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

### 9. Net income/(expenditure) for the year

This is stated after charging:

	2024	2023
	£	£
This is stated after charging:		
Depreciation - Owned Assets	12,736	17,127
Amortisation	-	127
Auditors' Remuneration	4,681	3,605
Accountants fees	7,650	5,195

### 10. Intangible Fixed Assets

	Software	Total
	£	£
<b>COST:</b>		
As at 1st April 2023	7,645	7,645
Additions	-	-
Disposals	-	-
As at 31st March 2024	<u>7,645</u>	<u>7,645</u>
<b>DEPRECIATION</b>		
As at 1st April 2023	7,645	7,645
Charge for year	-	-
Eliminated on disposal	-	-
As at 31st March 2024	<u>7,645</u>	<u>7,645</u>
<b>NET BOOK VALUE</b>		
As at 31 <sup>st</sup> March 2024	<u>-</u>	<u>-</u>
As at 31 <sup>st</sup> March 2023	<u>-</u>	<u>-</u>

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

### 11. Tangible Fixed Assets

	Office Equipment	Clinical Equipment	Shop Fixtures & Fittings	Motor Vehicles	Day Centre	Property Improvements	Total
	£	£	£	£	£	£	£
<b>COST:</b>							
As at 1st April 2023	88,799	3,025	1,863	40,282	12,528	89,007	235,503
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	(11,292)	-	-	(11,292)
As at 31st March 2024	88,799	3,025	1,863	28,990	12,528	89,007	224,211
<b>DEPRECIATION</b>							
As at 1st April 2023	81,488	3,025	1,863	12,626	12,488	89,007	200,495
Charge for year	6,214	-	-	6,485	37	-	12,736
Eliminated on disposal	-	-	-	(9,145)	-	-	(9,145)
As at 31st March 2024	87,702	3,025	1,863	9,966	12,525	89,007	204,086
<b>NET BOOK VALUE</b>							
As at 31 <sup>st</sup> March 2024	1,097	-	-	19,024	3	-	20,125
As at 31 <sup>st</sup> March 2023	7,311	-	-	27,655	40	-	35,006

The net book value at 31<sup>st</sup> March 2024 represents tangible fixed assets used for:

	Office Equipment	Clinical Equipment	Shop Fixtures & Fittings	Motor Vehicles	Day Centre	Property Improvements
	£	£	£	£	£	£
<b>DIRECT CHARITABLE PURPOSES</b>						
Community Services	-	-	-	-	3	-
Other Purposes Administration office	1,097	-	-	-	-	-
Fundraising	-	-	-	19,024	-	-
	1,097	-	-	19,024	3	-

### 12. Investments (including cash deposits)

	2024 £	2022 £
Market value as at 1 <sup>st</sup> April 2023	5,829,721	7,025,794
Disposals at carrying value (transfers to income)	(190,000)	(560,000)
Investment income	216,441	217,018
Investment costs charged and accrued	(22,595)	(24,106)
Net (loss)/gain on revaluation	(218,936)	(904,161)
Net (loss)/gain on disposals	189,169	75,176
Market value as at 31 <sup>st</sup> March 2024	5,803,800	5,829,721

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

### 12. Investments (including cash deposits) continued

Investments at market value comprised of:

	2024 £	2023 £
UK equities	2,148,931	2,401,799
Overseas equities	1,756,107	1,935,839
Cash deposits	111,835	69,448
UK fixed interest securities	1,132,346	502,669
Overseas fixed interest	78,208	115,583
Alternatives	568,474	800,610
	<u>5,795,901</u>	<u>5,825,948</u>
Income held in bank accounts	7,899	3,773
	<u>5,803,800</u>	<u>5,829,721</u>

### INVESTMENTS IN SUBSIDIARIES

	2024 £	2023 £
HOV TRADING LIMITED	<u>1</u>	<u>1</u>
<b>TOTAL INVESTMENTS</b>	<u>5,803,801</u>	<u>5,829,722</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

#### **HOV Trading Limited**

Registered office: C/o Hospice Of The Valleys, Festival Dormant of soft furnishings

Nature of business: Dormant

Class of shares:	% holding	2024 £	2023 £
Ordinary	100.00	Nil	Nil
Aggregate capital and reserves		<u>Nil</u>	<u>Nil</u>
Profit for the year		<u>Nil</u>	<u>Nil</u>

### 13. Stocks

Merchandise for resale

	2024 £	2023 £
	<u>396</u>	<u>298</u>

### 14. Debtors: amounts falling due within one year

	2024 £	2023 £
Trade Debtors	33,447	6,491
Other debtors	16,266	14,108
Prepayments and Accrued Income	196,772	178,075
	<u>246,485</u>	<u>198,674</u>

## **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

### **15. Creditors: amounts falling due within one year**

	<b>2024</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	24,830	7,035
Accrued expenses	62,173	58,809
Deferred income	16,091	35,601
Other creditors	61,399	109,279
	<u>164,493</u>	<u>210,724</u>

### **Deferred income**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Opening balance	35,601	31,343
Movement in period	(19,509)	4,258
	<u>16,091</u>	<u>35,601</u>

Deferred income represents income received from contributing agencies where the contribution was restricted to a fixed time period that extends beyond the current financial year. Income is deferred on the basis that the contribution was to the project as a whole, the time period of the project was fully disclosed to the contributing agencies and that time period is certain.

### **Deferred income continued**

The deferred income carried forward is analysed as follows:

	<b>2024</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Aneurin Bevan University Health Board	-	24,899
Welsh Government	-	-
Other	16,091	10,702
	<u>16,091</u>	<u>35,601</u>

### **16. Creditors: amounts falling due after one year**

	<b>2024</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other creditors	-	-
	<u>-</u>	<u>-</u>

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

### 17. Movements in funds

	At 01/04/2023	Incoming Resources (including gains)	Outgoing Resources (including losses)	Net Transfers	At 31/03/2024
	£	£	£	£	£
<b>Restricted Funds</b>					
Robin Judah investment portfolio	5,829,721	216,441	(52,362)	(190,001)	5,803,801
Amser project	-	31,864	(31,864)	-	-
Waterloo Foundation	-	49,100	(49,100)	-	-
Albert Hunt	-	30,000	(30,000)	-	-
Local Health Board service	15,700	350,116	(365,816)	-	-
Welsh Government	-	211,610	(211,610)	-	-
ABHUB - Hospice at Home	-	145,700	(145,700)	-	-
Other	67,187	28,333	(28,334)	(67,187)	-
	<u>5,912,608</u>	<u>1,063,164</u>	<u>(914,785)</u>	<u>(257,187)</u>	<u>5,803,800</u>
<b>Unrestricted Funds</b>					
- General	492,397	771,264	(1,249,875)	257,187	270,973
- Designated	-	-	-	-	-

#### Purposes of restricted funds

##### **Robin Judah Investment Portfolio**

This donation was given with the restriction that it could not be used for capital projects but is available for general running costs.

##### **Amser project**

A partnership agreement with Age Connects, to run the Your Time Your Choice Project.

##### **Waterloo Foundation**

Funding towards the CARIAD project.

##### **Albert Hunt**

funding towards core costs.

##### **Local Health Board**

This funding is a Service Level Agreement which allows the Hospice to provide Community Palliative Care, Hospice at Home and Specialist Palliative Care Services.

##### **Welsh Government**

This fund is for NHS matched pension contributions. A WG Hospital Cost of Living Grant was also awarded during the year, which is towards meeting the inflationary impact of salary costs for providing NHS services and to support the wider cost of living impacts of energy and fuel costs.

##### **Aneurin Bevan University Health Board (ABUHB)**

This income relates to CHC services, and also a Hospital Admission Avoidance Project (HAAP) grant.

##### **Other**

These funds relate to donations given specifically for the purchase of specific items, such as equipment for patients, clinic rent and for the social workers to spend at their discretion to help the families of patients who may be suffering financial difficulties.

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

### 18. Designated Funds

	2024	2023
	£	£
Balance brought forward 1 <sup>st</sup> April 2023	-	-
Interest received for year	-	-
Transferred to unrestricted funds	-	-
	<u>-</u>	<u>-</u>
Balance carried forward 31 <sup>st</sup> March 2024	<u>-</u>	<u>-</u>

In July 2024, a transfer was made to designated funds to represent the following:

Book Value TFAs as at 31 March 2024:	20,125
Estimated cost of redundancies as at 31 March 2024:	211,508
IP and legal advice contingency:	20,000
Cost of operating lease commitments beyond 31 March 2024:	<u>150,000</u>
<b>Total - TFA Book Value and Contingency Fund</b>	<b>401,633</b>

### 19. Transfers Between Funds

The following transfer was made in the year:

- £190,000 was transferred from income and gains on the investment portfolio to be used for general running costs.
- £67,187 was transferred between the funds for other purposes
- **£257,187 total funds transferred for the year**

### 20. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds
	£	£	£	£
Intangible fixed assets	0		-	0
Tangible fixed assets	20,125	0	-	20,125
Investments	1	5,803,801	-	5,803,802
Current assets	415,341	0	-	415,341
Current liabilities	(164,493)	0	-	(164,493)
Liabilities over 1 year	<u>0</u>	<u>0</u>	<u>-</u>	<u>-</u>
<b>Net assets at 31<sup>st</sup> March 2024</b>	<u>270,973</u>	<u>5,803,801</u>	<u>-</u>	<u>6,074,774</u>

### 21. Analysis of staff costs and numbers, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	£	£
Salaries and wages	1,413,753	1,427,090
Social security costs	136,821	142,571
Pension costs	<u>117,267</u>	<u>112,399</u>
	<u>1,667,841</u>	<u>1,682,059</u>

## **THE HOSPICE OF THE VALLEYS**

### **Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024**

#### **21. Analysis of staff costs and numbers, and the cost of key management personnel continued**

The charity considers that its key management personnel comprise the CEO, the Head of Finance, the Head of Clinical Services and the Head of Fundraising. The total employment benefits including employer pension contributions of the key management personnel were £254,731 (2023: £221,413).

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was 1 (2023: 1). This employees' emoluments fell within the £70,000 to £80,000 band.

The average monthly number of employees during the year was as follows:

	<b>Total</b>	
	<b>2024</b>	<b>2023</b>
Hospice services	29.90	27.90
Fundraising and publicity (including shops)	11.10	11.30
Management and administration of the charity	6.60	11.60
	<u>47.60</u>	<u>50.80</u>

#### **22. Trustees' Remuneration**

No members of the management committee received any remuneration or other payments during the year (2023: nil), subject to as noted below.

#### **23. Related Party Transactions**

Income of £145,700 (2023: £238,317) has been received from Aneurin Bevan University Health Board, of which, P Robson (director) is a Special Board Advisor. Transactions totalling £1,263 were enacted between the Hospice and Roseblade Media Ltd during the year, a trading company owned and run by Mr Mathew Morris-Parker (director), (2023: £1,269).

	<b>2024</b>	<b>2023</b>
<b>24. Capital Commitments</b>	<u>Nil</u>	<u>Nil</u>
	<b>2024</b>	<b>2023</b>
<b>25. Contingent liabilities</b>	<u>Nil</u>	<u>Nil</u>

## **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

### **26. Reconciliation of net movement in funds to net cashflow from operating activities**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Net movement in income/ (expenditure)	(330,232)	(1,094,108)
Add back amortisation charge	-	127
Add back depreciation charge	12,736	17,126
Add back gain on disposal	(4,854)	(2,855)
(Gains)/losses on investments	29,767	828,985
Dividends and interest from investments	(220,091)	(218,130)
Investment charges accrued	22,591	24,106
Decrease (increase) in stocks	(98)	381
Decrease (increase) in debtors	(47,811)	(15,975)
Increase (decrease) in creditors	(46,230)	48,081
	<hr/>	<hr/>
Net cash used in operating activities	<u>(584,222)</u>	<u>(412,262)</u>
<b>Analysis of cash and cash equivalents</b>		
Net cash at the end of the year.	<u>168,458</u>	<u>552,031</u>

### **27. Pension Costs**

Net pension costs of £117,267 (2023 - £111,439) were charged to the Statement of Financial Activities during the year.

Included in other creditors at 31 March 2024 was £14,420 (2023 - £31,062) in relation to the personal schemes.

### **28. Operating Lease Commitments**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Within one year	88,333	46,117
Between two and five years	<u>279,653</u>	<u>9,333</u>
	<u>367,986</u>	<u>55,450</u>

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

### 29. Comparatives for Movement in Funds

	At 01/04/2022	Incoming Resources (including gains)	Outgoing Resources (including losses)	Net Transfers	At 31/03/2023
	£	£	£	£	£
<b>Restricted Funds</b>					
Robin Judah investment portfolio	7,025,794	217,018	(853,091)	(560,000)	5,829,721
ABUHB	18,092	303,203	(305,595)	-	15,700
Welsh Government	-	75,129	(75,129)	-	-
Continuing Health Care	-	160,176	(160,176)	-	-
ABHUB - Hospice at Home	-	82,176	(82,176)	-	-
Other	66,074	5,240	(4,128)	-	67,187
	<u>7,109,960</u>	<u>842,942</u>	<u>(1,480,295)</u>	<u>(560,000)</u>	<u>5,912,609</u>
<b>Unrestricted Funds</b>					
- General	379,154	1,025,377	(1,472,135)	560,000	492,397
- Designated	-	-	-	-	-

#### Purposes of restricted funds

##### **Robin Judah Investment Portfolio**

This donation was given with the restriction that it could not be used for capital projects but is available for general running costs.

##### **Aneurin Bevan University Health Board (ABUHB)**

This funding is given to support specialist nurses and related costs. Further funding is given to support a Hospital Admissions Avoidance Project (HAAP) along with education funding.

##### **Welsh Government**

This fund is for NHS matched pension contributions.

##### **Continuing Health Care**

This funding is given to support specialist nurses and related costs.

##### **ABUHB – Hospice at Home**

This funding is given to support specialist nurses to provide palliative care through the hospice at home service.

##### **Other**

These funds relate to donations given specifically for the purchase of specific items, such as equipment for patients, clinic rent and for the social workers to spend at their discretion to help the families of patients who may be suffering financial difficulties.

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2024

### 30. Comparatives for the Statement of Financial Activities

		UNRESTRICTED FUNDS	RESTRICTED FUNDS	DESIGNATED FUNDS	31/03/23 TOTAL FUNDS	31/03/22 TOTAL FUNDS
	NOTES	£	£	£	£	£
<b>Income from:</b>						
Donations and Legacies	3	395,423	46,987	-	442,410	176,056
<b>Charitable activities:</b>						
Local Health Board service level agreement		-	266,787	-	266,787	295,765
Welsh Government Covid-19 Emergency Funding		-	68,593	-	68,593	250,511
Aneurin Bevan University Health Board		-	-	-	-	-
		-	238,317	-	238,317	174,754
<b>Other trading activities:</b>						
Shop and merchandise sales		431,047	-	-	431,047	421,261
Fundraising		181,697	5,241	-	186,938	182,434
Investments	4	1,112	217,018	-	218,130	195,177
Other	5	16,099	-	-	16,099	909
<b>Total Incoming Resources</b>		<u>1,025,378</u>	<u>842,942</u>	<u>-</u>	<u>1,868,321</u>	<u>1,696,867</u>
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Shops and merchandise		281,360	-	-	281,360	240,561
Fundraising		264,972	-	-	264,972	227,854
Investment management	6	-	24,106	-	24,106	28,867
<b>Charitable activities</b>	7	<u>925,803</u>	<u>627,204</u>	<u>-</u>	<u>1,553,007</u>	<u>1,474,651</u>
<b>Total Expenditure</b>		<u>1,472,135</u>	<u>651,310</u>	<u>-</u>	<u>2,123,444</u>	<u>1,971,933</u>
Gains/losses on investments		-	(828,985)	-	(828,985)	183,719
<b>Net Income / (Expenditure)</b>		(446,756)	191,632	-	(255,123)	(275,066)
Transfers between funds	19	<u>560,000</u>	<u>(560,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds for the year</b>		113,244	(1,197,352)	-	(1,084,108)	(91,347)
<b>Reconciliation of funds:</b>						
<b>Balances brought forward</b>		<u>379,153</u>	<u>7,109,961</u>	<u>-</u>	<u>7,489,115</u>	<u>7,580,462</u>
<b>Balances carried forward at 31st March 2023</b>	20	<u>492,397</u>	<u>5,912,609</u>	<u>-</u>	<u>6,405,006</u>	<u>7,489,115</u>

**THE HOSPICE OF THE VALLEYS**

**The following pages do not form part of the statutory accounts of the charity**

## THE HOSPICE OF THE VALLEYS

### Total Funds Income and Expenditure Account for the year ended 31<sup>st</sup> March 2024

	Unrestricted 2023/24 £	Restricted 2023/24 £	Unrestricted 2022/23 £	Restricted 2022/23 £
<b>Income from:</b>				
Robin Judah Trust	-	-	-	-
Charitable Trusts	33,647	122,463	45,000	43,100
Donations & Legacies	114,454	-	350,423	3,887
NHS Donations & Grants	-	262,573	-	184,611
Sales of Merchandise	185	-	553	-
Bank Interest Received	3,649	-	1,112	-
Investment Income	-	216,441	-	217,018
Aneurin Bevan Health Board	-	145,700	-	238,317
Events/Community Fundraising	207,642	-	181,697	5,241
ABUHB - Hospice at Home	-	87,542	-	82,176
Shop Income	400,960	-	430,494	-
Welsh Government	-	211,610	-	68,593
Furlough & Retail Grants	-	-	12,687	-
Other	10,726	16,834	3,412	-
	<u>771,264</u>	<u>1,063,164</u>	<u>1,025,378</u>	<u>842,942</u>
<b>Expenditure</b>				
<b>Charitable Activities</b>				
Clinical Salaries	141,125	825,868	426,779	592,098
Clinical Pensions	49,285	31,600	52,575	30,392
Social Worker Expenses	1,544	-	1,967	-
Drugs & Clinical Supplies	82	-	96	-
Clinic Rent	-	-	-	-
Motor Expenses	13,902	-	15,912	-
Clinic Food & Other Costs	-	4,719	-	4,128
Clinical Equipment Maintenance	398	-	4,122	-
Clinical Mobile Phones	3,964	-	5,244	-
Training	9,930	-	9,921	-
Miscellaneous	-	235	36	585
Medical Equipment Depreciation	37	-	37	-
Support Costs	314,973	-	325,308	-
	<u>535,240</u>	<u>862,423</u>	<u>841,998</u>	<u>627,204</u>

## THE HOSPICE OF THE VALLEYS

### Total Funds Income and Expenditure Account for the year ended 31<sup>st</sup> March 2024 continued

	Unrestricted 2023/24 £	Restricted 2023/24 £	Unrestricted 2022/23 £	Restricted 2022/23 £
<b>Fundraising &amp; Publicity</b>				
Salaries	122,537	-	112,784	-
Pensions	11,653	-	10,633	-
Motor Expenses	10,585	-	9,982	-
Training	235	-	996	-
Merchandise for resale	863	-	814	-
Fundraising expenses	15,649	-	11,404	-
Events	25,234	-	20,254	-
Shop Rental & Costs	142,244	-	103,586	-
Retail salaries	182,624	-	171,981	-
Investment management fees & charges	-	22,595	-	24,106
Telephone	1,431	-	2,060	-
Shop Fittings & Vehicle Depreciation	6,485	-	4,979	-
Database costs	3,313	-	2,690	-
Support Costs	105,516	-	97,024	-
Loss on disposal of fixed assets	(4,854)	-	(2,855)	-
	623,514	22,595	546,331	24,106
<b>Management &amp; Admin / Governance</b>				
Salaries	278,419	-	266,018	-
Pensions	24,729	-	17,839	-
Motor/Relocation Expenses	1,989	-	2,298	-
Telephone & Postage	18,512	-	15,782	-
Printing & Stationery	4,673	-	5,353	-
Insurance	15,121	-	14,566	-
Accountants fees	7,650	-	5,195	-
Auditors Remuneration	4,681	-	3,605	-
Professional fees	1,871	-	11,474	-
Bank Charges and Interest	2,420	-	3,072	-
Miscellaneous	1,783	-	5,820	-
Office Equipment Depreciation	6,214	-	12,110	-
Software amortisation	-	-	127	-
Repairs & Maintenance	-	-	-	-
Subscriptions	3,049	-	3,020	-
Rent and Rates	80,060	-	74,609	-
IT Expenses	26,457	-	27,640	-
Office Cleaning and Expenses	3,836	-	7,642	-
Office machine rental	1,772	-	2,142	-
Lease finance interest	-	-	(288)	-
Personnel services	18,085	-	15,164	-
	501,322	-	493,187	-
Less allocated to charitable and fundraising expenses	(410,201)	-	(409,382)	-
	91,121	0	83,806	0

## **THE HOSPICE OF THE VALLEYS**

### **Total Funds Income and Expenditure Account for the year ended 31<sup>st</sup> March 2024 continued**

	<b>Unrestricted 2024 £</b>	<b>Restricted 2024 £</b>	<b>Unrestricted 2023 £</b>	<b>Restricted 2023 £</b>
Transfer of funds	<u>257,187</u>	<u>(257,187)</u>	<u>560,000</u>	<u>(560,000)</u>
(Deficit) / surplus of income over expenditure	<u>(221,423)</u>	<u>(79,041)</u>	<u>113,244</u>	<u>(368,367)</u>

**HOSPICE OF THE VALLEYS**

England & Wales - Charity number 517724

---

# Accounts

---

**THE HOSPICE OF THE VALLEYS**  
**(A REGISTERED CHARITY)**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> MARCH 2023**

**Charity Number: 517724**

**Company Number: 2007005**

## THE HOSPICE OF THE VALLEYS

<b>CONTENTS</b>	<b>PAGE</b>
Reference and administrative information	1
Report of the Trustees/Directors	2 - 19
Independent auditors report	20 – 22
Statement of financial activities	23
Balance sheet	24
Statement of cashflows	25
Notes forming part of the financial statements	26 - 39

## **THE HOSPICE OF THE VALLEYS**

### **Report of the Trustees for the year ended 31<sup>st</sup> March 2023**

The trustees present their report and the audited annual financial statements for the year ended 31<sup>st</sup> March 2023

#### **Reference and administrative information**

<b>Charity Name:</b>	The Hospice of the Valleys	
<b>Company Registered Number:</b>	2007005	
<b>Charity Registered Number:</b>	517724	
<b>Registered Office:</b>	Festival Drive, Ebbw Vale, Gwent, NP23 8XF	
<b>Trustees/Directors:</b>	Miss Susan Kent MBE DL (CHAIR) (resigned 16 <sup>th</sup> December 2022) Mr Allan Harris (Interim Chair) Mr Alan Williams (resigned 30 <sup>th</sup> November 2021) Mr Phillip Robson Reverend Barry Roche (resigned 26 <sup>th</sup> July 2022) Mrs Sally Mirando Mr Robert James (deceased July 8 <sup>th</sup> 2022) Mr Mathew Morris-Parker Mrs Julie Timothy (appointed 26 <sup>th</sup> July 2022) Mr Stuart Williams (appointed 26 <sup>th</sup> July 2022) Mr Owen James (appointed 24 <sup>th</sup> May 2022) Ms Verly Inglis (appointed 20 <sup>th</sup> March 2023)	
<b>Company Secretary:</b>	Mr Grant Usmar	
<b>Senior Management Team:</b>	Mr Grant Usmar – Chief Executive Mrs Jane Hart MBE – Head of Clinical Services (Resigned March 2023) Mrs Sarah Harries - Head of Clinical Services (Appointed March 2023) Mrs Melanie Phillips – Head of Finance	
<b>Independent Auditors:</b>	Baker Knogle Audit Limited, Orbit Business Centre, Rhydyar Business Park, Merthyr Tydfil CF48 1DL	
<b>Accountants:</b>	Baker Knogle Chartered Accountants, Orbit Business Centre, Rhydyar Business Park, Merthyr Tydfil CF48 1DL	
<b>Bankers:</b>	Lloyds Bank Plc. 8 High Town Hereford HR1 2AE	The Co-operative Bank PO Box 250 Skelmersdale WN8 6WT
<b>Investment Bankers:</b>	Rathbones, 159 New Bond Street, London, W15 2UD	
<b>Solicitors:</b>	Lewis, Lines & Wilks, Bryn Mawr, Ebbw Vale NP23 4PS	

## **THE HOSPICE OF THE VALLEYS**

### **Report of the Trustees for the year ended 31<sup>st</sup> March 2023**

#### **Structure, Governance and Management**

The Trustees/directors are pleased to present their report and financial statements for the year ended 31st March 2023, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

#### Governing Document

The charity is a charitable company limited by guarantee, incorporated on 4th April 1986. It is governed by a memorandum and articles of association and does not have a share capital. The limited company registration number is 2007005. The company is a registered charity under the Charity Commission, reference number 517724.

#### Appointment of Trustees / Directors

The Directors of the company are also charity trustees for the purpose of charity law, and under the company's Articles are known as the Council of Trustees (The Trustees). As set out in the Articles the number of members of the council shall not be less than five nor more than ten.

Trustees are appointed by the board of trustees in accordance with the Hospice's procedure on appointment of new trustees. Trustees appointed in the year are interviewed by the Chairman prior to being elected by the Board of Trustees. Such appointments are ratified by the members at the next General Meeting. Trustees must sign an undertaking that they are fit to serve (i.e. meet specific requirements).

Trustees serve for six years after which this may be renewed by the members at the next General Meeting.

#### Trustees Induction and Training

All prospective Trustees are sent an information pack containing the Memorandum and Articles, Vision Mission and values, Hospice of the Valleys Philosophy, last two Annual Reports, last audited accounts, Hospice of the Valleys – Trustee responsibilities, Charity Commission booklet CC3 – Responsibilities of Charity Trustees, Help the Hospice Trustee Induction Pack, and the latest Strategic/Business Plan.

#### Organisational Structure

The Hospice is managed by a council of trustees of between five and ten members who meet bi-monthly. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

#### Key Management and Employees Remuneration

Hospice of the Valleys recognises that it must ensure staff are rewarded appropriately for their work and dedication. It is also necessary to ensure competitive rates of pay and benefits are maintained to ensure retention and recruitment of the best calibre staff to deliver the Charity's objectives.

The Board has agreed a Hospice pay scale that encompasses all staff. This scale is based on the NHS Agenda for Change pay scale and is applied to all staff. The Board of Trustees approves an annual pay increase for all staff at its budget-setting meeting in February/March each year. The level of pay is set on joining the Hospice. Movements within the scale and any increases are wholly subject to appraisal and related performance reports and are decided by the Chief Executive. Whilst the Hospice seeks to maintain equivalence with prevailing nationally negotiated conditions of pay it cannot be bound by their agreements. Cost of living and other salary increases are discretionary and subject to funding constraints.

The Hospice is a Direction Employer under the NHS Pension scheme and qualifying staff are eligible to join this scheme on employment with the Hospice. For other staff, the Hospice has a stakeholder pension scheme to which it contributes 5% of salary. All non-NHS pension staff are auto-enrolled into this scheme on employment with the Hospice.

#### Risk Management

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

## **THE HOSPICE OF THE VALLEYS**

### **Objectives and Activities**

The principal activity of the company in the year under review was that of a Hospice and specialist palliative care service.

The aims of its service are to benefit the public through the following objectives:

- To practice holistic Hospice care, addressing all the patient's needs, physical, spiritual, social, and emotional.
- To support families so well that they are enabled to care for dying relatives at home to the end.
- To maximise patients' autonomy.
- To establish a model of Hospice care that is recognised locally, nationally, and internationally as being of the highest standards. To teach about our methods.
- To care for patients from first diagnosis of a life-threatening illness through to cure or death. To support carers throughout this time, and in bereavement as long as necessary.

In order to achieve these aims the Hospice aims to be a Specialist Palliative Care Provider – Consultant-led with a team of highly trained and skilled clinicians, social workers, and other professionals. The Hospice has embarked upon a review of its clinical governance framework under the leadership of the consultant, which will ensure a robust evidence-based delivery of appropriate care to the population of Blaenau Gwent.

The Hospice now benefits from the support of 200 volunteers. A large proportion of these help us to fundraise by manning our six shops, driving our van, and helping at fundraising events. Volunteers also help at our clinics as hostesses, welcoming new patients and providing refreshments.

The value of volunteer time is not quantified in terms of money, but the time contributed by volunteers is an invaluable resource in terms of the outstanding contribution made by them.

### **How our activities deliver public benefit**

The Trustees have had regard to Charity Commission guidance on public benefit. Our objects and funding limit the services we provide to those residents in Blaenau Gwent. We deliver public benefit via the following activities:

- Hospice of the Valleys provides community-based Specialist Palliative Care to the people of Blaenau Gwent who are suffering from a life-limiting illness, their families, and carers.
- We also provide a Hospice at Home service where patients can have Healthcare Assistants in their homes during the night and during the day.
- Our staff work in collaboration with other Healthcare Professionals to ensure patients always receive appropriate, high-quality care when needed.
- We always strive to ensure patients are cared for in their preferred place of care which may be their own home.
- People with a life-limiting illness can be referred to Hospice of the Valleys and access any of the services provided by the Charity.
- Services are provided free of charge to patients and their families/carers.
- Hospice of the Valleys is at the heart of the Community providing employment, volunteering opportunities, and many public events and activities.

## **THE HOSPICE OF THE VALLEYS**

### **Chairman's Summary**

We faced the year with on-going trepidation. Our teams continued to support families living with a health and social care landscape changed by the legacy of the pandemic. Work practices have changed and some services have not returned to pre-pandemic models or scale and this has provided challenges for service delivery and for local families.

Our staff and volunteers continue their pivotal role in allowing us to take the time to care, to get to know the real person and what is important to them, so they are not defined by either their illness or the time they have left.

### **Our Services and Activities**

In summary, our main services include:

- A Clinical Nurse Specialist service across all community settings.
- Access to a Palliative Care Medical Consultant.
- A Hospice at Home service offering overnight support to families.
- Social support for patients and for those who care for them.
- A nurse-led in-reach service in the local community hospital.
- Bereavement support; anticipatory and post bereavement support as well as a children's bereavement service.
- Welfare rights advice for patients and to those who care for them.
- Specialist rehabilitative support from our Clinical Specialist Physiotherapist.
- Complementary therapy for patients and for those who care for them.
- A Dementia Service (CARIAD) focused on supporting families living with a dementia diagnosis.
- A well-being volunteer service, linked to our CARIAD service.
- Spiritual support via our Hospice Chaplain and external organisations.

### **Partnership Working**

#### **Bereavement support for non-hospice patients**

We continued to support the populations of Blaenau Gwent and Merthyr Tydfil with bereavement support throughout the year. Funding for the work in Merthyr came to an end in March 2023. This was a challenge to our Family Support Team who were supporting relatives through loss and was not restricted to those who had lost a friend or relative through a terminal illness. The team also helped to develop colleagues in schools and other settings to better support those dealing with grief and loss.

#### **Hospital Admittance Avoidance Project**

Our work with Aneurin Bevan University Health Board (ABUHB) delivering the Hospital Admittance Avoidance Project (HAAP) continued throughout the year. Like the work above, this project involved supporting patients and families beyond the normal criteria to receive hospice care. Families avoiding at least 84 preventable hospital admissions. This eased pressures on the wider healthcare system and gave better outcomes for residents whose wishes were to stay at home and to avoid the possibility of a delayed discharge from hospital.

#### **Care Decisions Guidance Training**

Delivering Care Decisions Guidance (CDG) training to healthcare professionals within hospitals across Gwent.

#### **Technology support for dementia patients**

Accessing assistive technology within our CARIAD Service to support patients and carers at home and within our activity group.

## THE HOSPICE OF THE VALLEYS

### Multi-Disciplinary Team Meetings (MDT)

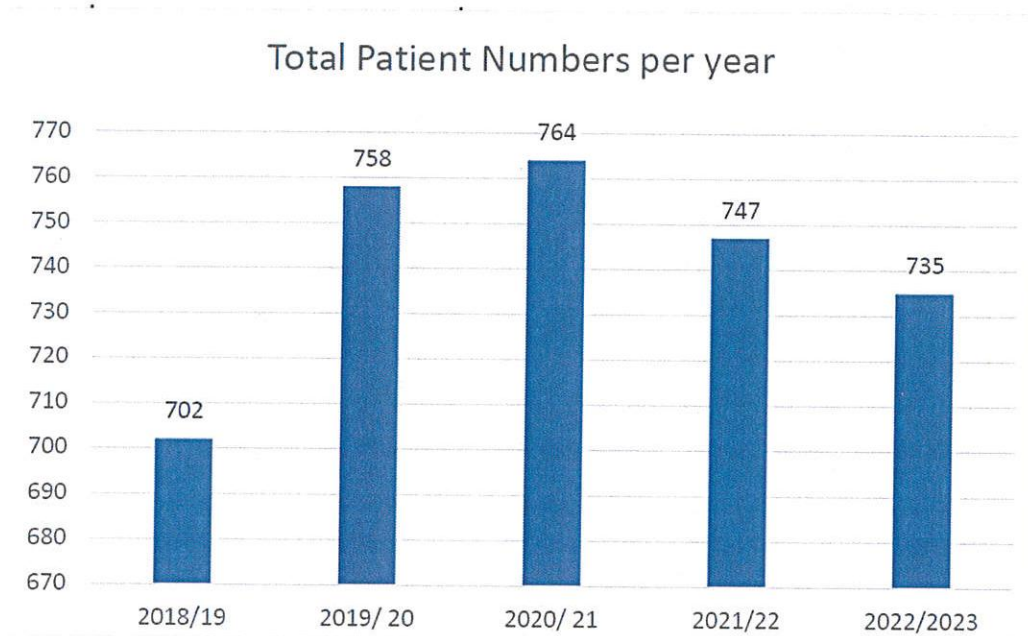
We played an active role in meetings for Ysbyty Aneurin Bevan Ysbyty Tri Chwm, Nevill Hall Hospital and at the local GP palliative care MDT's We also worked closely with our care home colleagues and worked with the Motor Neurone Disease team.

### Education

This year we have continued to maintain our commitment to delivering education to the community we work in, returning to face-to-face training. We successfully met our commitments to ongoing contracts with Cwm Taf and Caerphilly and Blaenau Gwent Workforce Development.

### **Performance & Achievements**

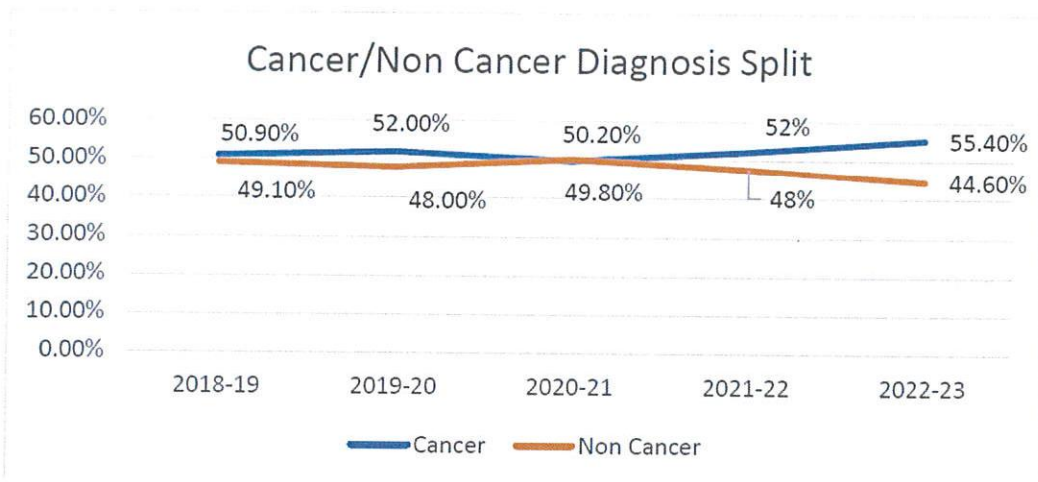
The number of patients peaked during COVID, this may be because we maintained a 'business as usual' approach to service delivery maintaining face-to-face appointments whilst some other services went online or became telephone only.



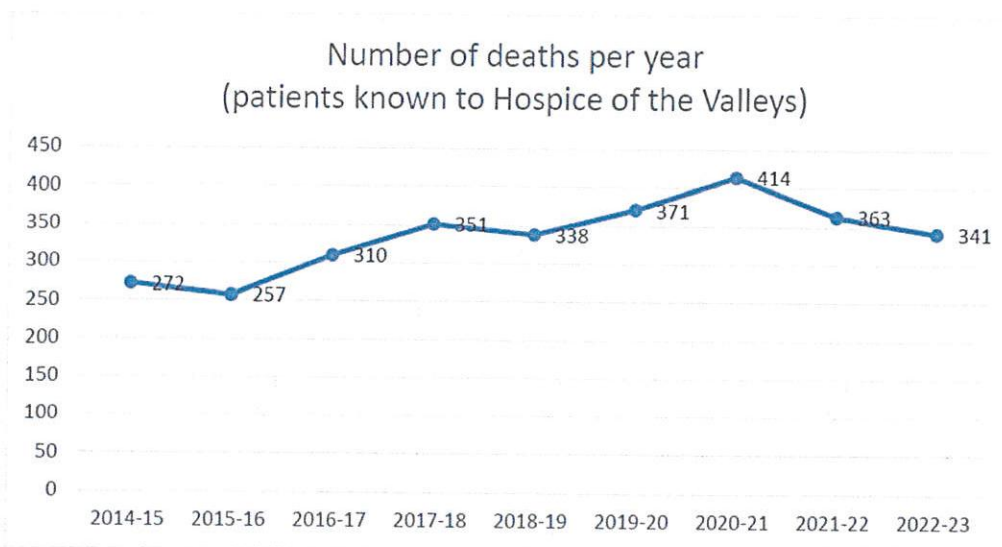
To understand our caseload better each person supported is assessed in terms of Phase of Illness (stable, unstable, deteriorating and terminal). The measure of complexity is linked to those in the unstable, deteriorating and terminal phases. Those who fall within these parameters have uncontrolled and unmanaged symptoms that require frequent review and/or medication adjustments. They often need input from multiple professionals due to high levels of distress both of themselves but also family members and carers. They may also need referrals to a number of our external partner agencies.

The chart below shows that over the last 5 years, there has been an increase in the volume of people supported with a non-cancer diagnosis. During 2020/21 at the height of the pandemic the Hospice saw numbers of patients living with a non-cancer diagnosis overtake cancer for the first time. This is linked to the work within the care home settings where the primary diagnosis is often dementia.

**THE HOSPICE OF THE VALLEYS**

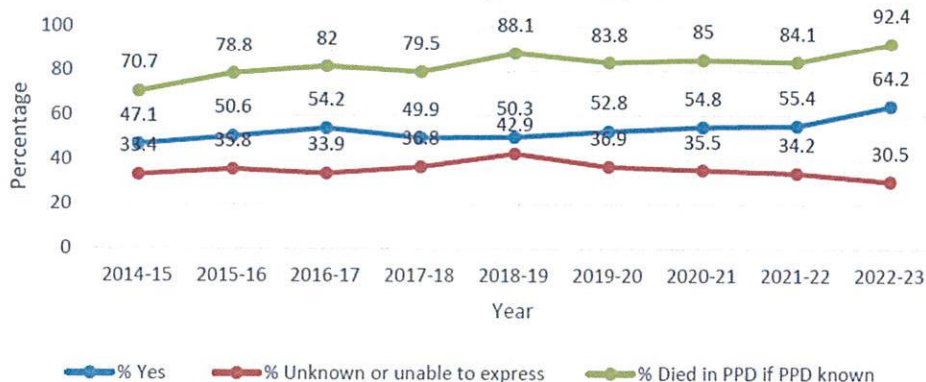


Hospice of the Valleys supported 341 patients and their families during their last days of life. This is around 40% of the deaths that took place in Blaenau Gwent.



**THE HOSPICE OF THE VALLEYS**

Percentage of patients known to Hospice of the Valleys who died in their preferred place

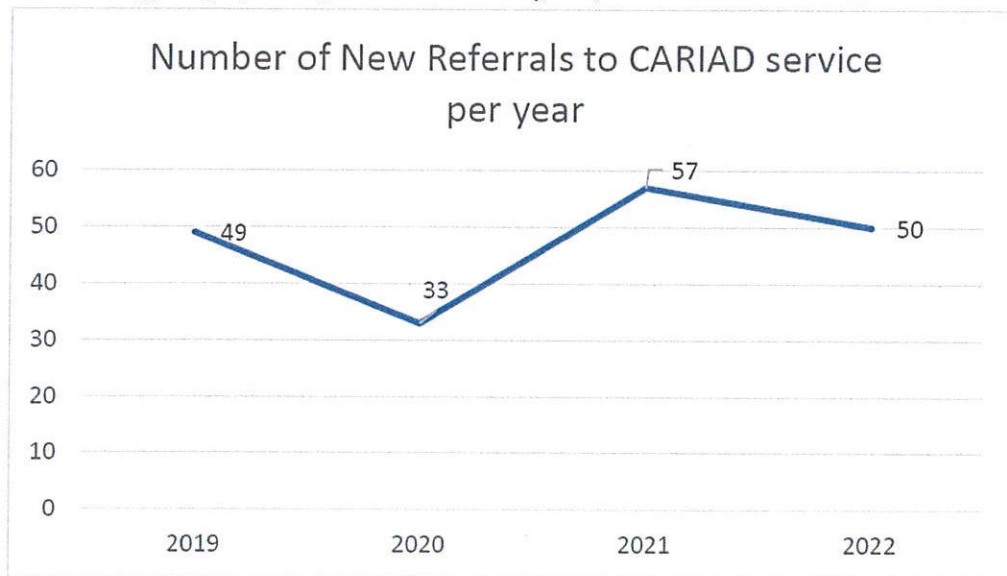


As part of our work with those we support, we try to both discuss and fulfil patient’s wishes wherever possible. Some of these wishes relate to both where a patient wishes to be cared for (Preferred Place of Care) and their Preferred Place of Death (PPD), where they wish to die. The latter is usually at home rather than in a hospital setting. Overall, during the year 74% of patients died in their normal place of residence with 13% dying in hospital. For come in the latter group a hospital location was their chosen preference.

Due to disease symptoms, lateness of referral, and reluctance to discuss these issues not every patient is able to make us aware of their preferences. As can be seen above this is true for around 30% of the patients who died in the year. The table above also shows that when a patient is able to express their preference, we can support their wishes to die in their preferred place for 92.4% of patients we support.

**CARIAD (Dementia Service)**

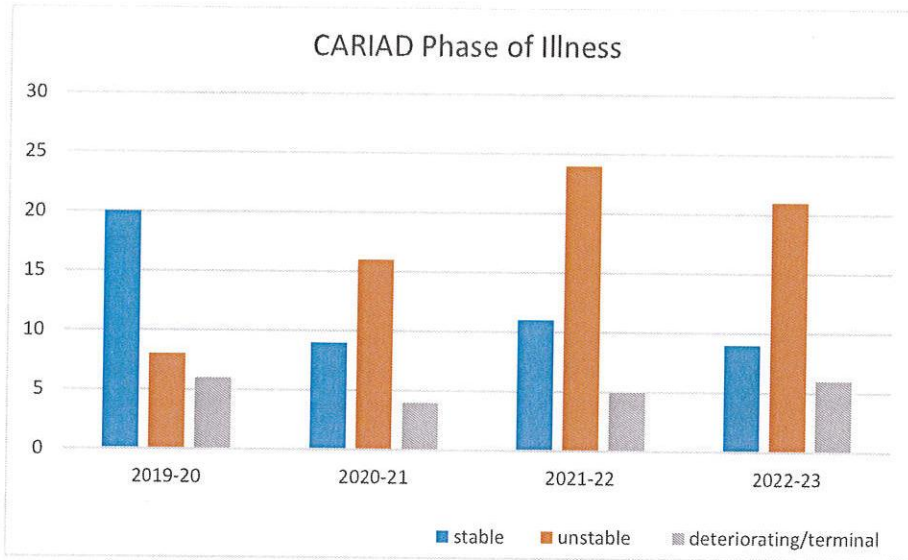
The service supports people living with a dementia diagnosis, their carers and loved ones.



**THE HOSPICE OF THE VALLEYS**

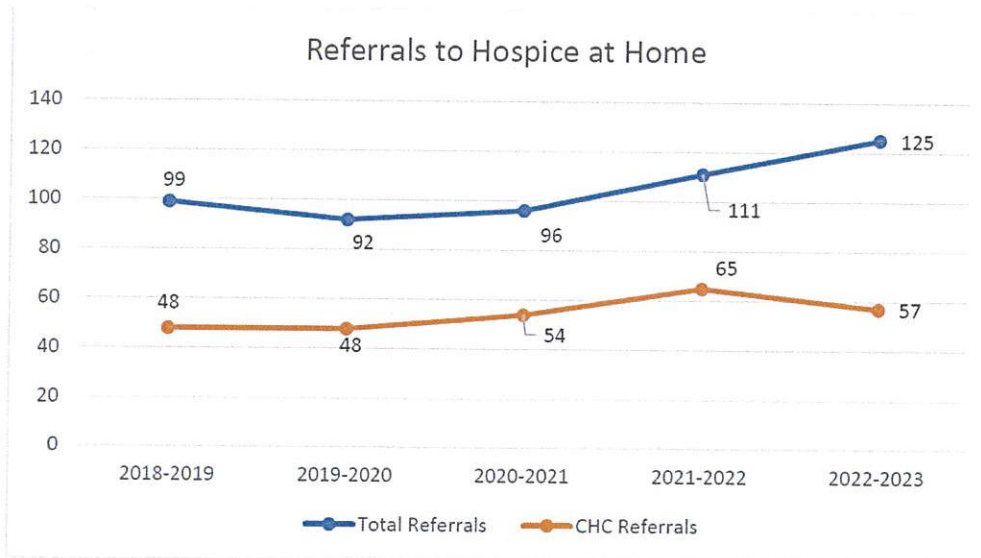
Over the past 3 years, the caseload has gone from having the majority of patients in the stable category to the majority sitting within the unstable category.

This is a reflection on how the service is managed utilising a strict needs basis eligibility criteria thus being able to reach an extremely vulnerable patient cohort and meeting increasing complex needs which went previously unmet.



**Hospice at Home**

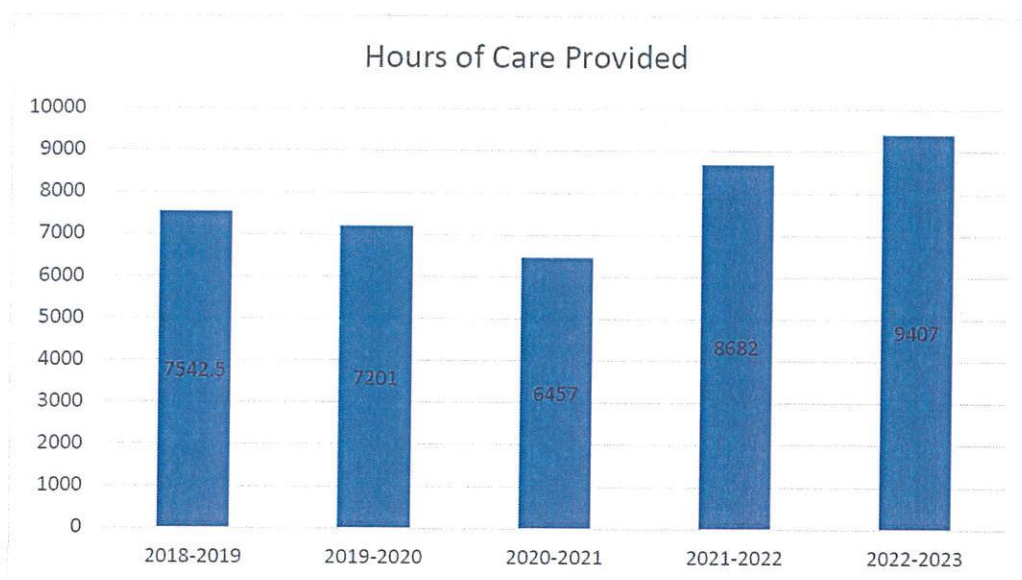
This service provides support for those with complex needs to enable them to stay in their preferred place of care for longer and avoid hospital admissions where possible. There are also proven carer benefits where support is provided, allowing carers to have complete rest which enables them to continue with their caring role.



## **THE HOSPICE OF THE VALLEYS**

Continuing Health Care (CHC) referrals are where the person is recognised to have a predominantly health need at end of life and the assessment has highlighted that support is needed at night. These referrals are funded via the health board and as shown above account for around 50% of referrals each year.

Both the number of referrals and hours of care delivered have increased in recent years. This is linked to the increased complexity of the caseload as highlighted above as well as the aging population where carers are living with their own health issues whilst undertaking caring responsibilities.



### **Achieving Financial Sustainability**

Hospice of the Valleys has been facing an environment of increasing costs even before the most recent cost of living crisis. With so many vacancies within the NHS over recent years we have chosen to match the NHS Agenda for Change pay scale in order to both retain existing staff and to attract staff with the right experience and qualifications. As these pay scales are set outside of the charity, being negotiated between governments and unions, increases to our salary bill have been out of our direct control. As the bulk of the charity's costs in delivering services are staff cost uplifts, the Agenda for Change pay scales have a significant effect on hospice expenditure. We have therefore needed to work towards more varied ways of generating income for our work as well as ensuring that we are not subsidising statutory services that should be funded out of revenue raised through taxation.

During 2022/23, we undertook a full review of our retail offer in order to grow the income from this area. We identified areas that needed improvements, and opportunities for expansion and created a 5-year plan to grow income to help meet the growing costs involved in delivering specialist palliative care services to the local community.

We have had more success in recent years in diversifying the sources of income for Hospice of the Valleys. We have had success in funding aspects of our CARIAD Service (Dementia service) from national and local grant-making trusts. We have also continued our relationship with the Regional Partnership Board in funding work with those living with early-onset dementia.

Lottery income has continued to grow and there remains scope for further growth.

Fundraising finished the year ahead of budget thanks to a full calendar of events and due to the charity having one of our best years in terms of being left gifts within people's wills.

## **THE HOSPICE OF THE VALLEYS**

### **Our Strategic Objectives and Future Plans**

We created a new 3-year strategy at the end of 2020/21, so the last year was the first year of implementation. During the formulation of our new strategy, we identified the following key challenges:

- A growing demand for palliative care services from an aging population living with more complex needs.
- Primary Care services remain under pressure, with issues around recruitment and retention for both GPs and District Nurses.
- Over the next 10 years the incidence of cancer in the UK is projected to increase by 30% for men and 12% for women, and as the number of people living with and beyond cancer exponentially grows, by 2040 close to a quarter of people aged over 65 will be cancer survivors.
- By 2050 it is projected that one in three adults aged over 65 will die with a diagnosis of dementia.
- The cost-of-living crisis is expected to continue over the next 2 years and will have an effect on our communities, emotional, physical, and psychological wellbeing as well as impacting on our ability to fundraise.
- Costs of delivering existing services are rising, but NHS funding has remained static.

### **Progress on objectives in 2022/2023**

The points below illustrate the progress we have made in the first year of the strategy:

1. Provide holistic palliative care expertise in places where people are cared for: at home, in hospitals, and in care homes.
  - We refined and improved our referral process, ensuring consistency across the organisation, delivering better clarity on what an urgent response means and needs.
  - A feedback process has been created to referrers for inappropriate referrals.
  - We have established a Single Point of Contact (SPOC) post that is present to support our team and external referrers and enquirers.
2. Make joined-up care a reality.
  - We have established a more robust outpatient service being delivered both onsite and in community settings.
  - We have continued our active participation in the local Health Board End of Life Care Board.
  - We have updated the knowledge of other local services and groups available to refer to.
3. Empower patients and carers to have greater choice and control over the things that are important to them.
  - We rolled out a Carers Support Needs Assessment Tool (CSNAT) across the area
  - A Rehabilitative Audit of our services was completed highlighting the areas we need to develop further.
  - Our work with local patient groups has struggled to get off the ground, but we are building stronger networks to help drive this work forward.
  - Staff are aware of the International Palliative Care Outcome Scale (IPOS) as we await the introduction of the new national palliative care record system and digital infrastructure.
4. Provide our staff, other healthcare professionals, and carers with high-quality training.
  - We have delivered on current education contracts at borough level, gaining new contracts within the year across Blaenau Gwent, Caerphilly, and Rhondda Cynon Taf contracts and extending into care homes.
  - Face-to-face training has been reinstated including our 2-day Palliative Care course for all allied healthcare professionals. A Dementia and Palliative Care course launched and was well attended by a broad section of health and social care staff.

## THE HOSPICE OF THE VALLEYS

5. Use evidence-based decision-making to embed a system of continuous learning and improvement.

- Data collection protocol. process for non-hospice patients
- A working group was established to set out requirements to see if the current IT system can support this.
- We have integrated outcome measures into our daily activity. These include Phase of Illness, the Australia-modified Karnofsky Performance scale, and, where appropriate, The Clinical Frailty Scale.
- We have completed our data analysis around resources used by patients undergoing curative treatment

Skills and training audit survey completed and acted upon

Competencies agreed. learning needs gathered from appraisals. Current Training and Development policy is being updated to incorporate training applications linked to strategy delivery.

Amalgamation of Learning Needs Assessment data from IPRs

Completed.

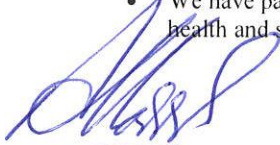
- We have established links with carer organisations to get best practice, registering the hospice as a Carer Friendly organisation.

6. Deliver a sustainable business model to ensure we are effective in meeting the demands on our services.

- We have established a charitable trading company
- We have completed and begun to implement a development plan for our retail operations.

7. Engage in research into palliative care

- We have participated in and supported external multidisciplinary, joined-up research which brings together the health and social care disciplines involved in practice.



**Mr Allan Harris**  
**Interim Chairman**

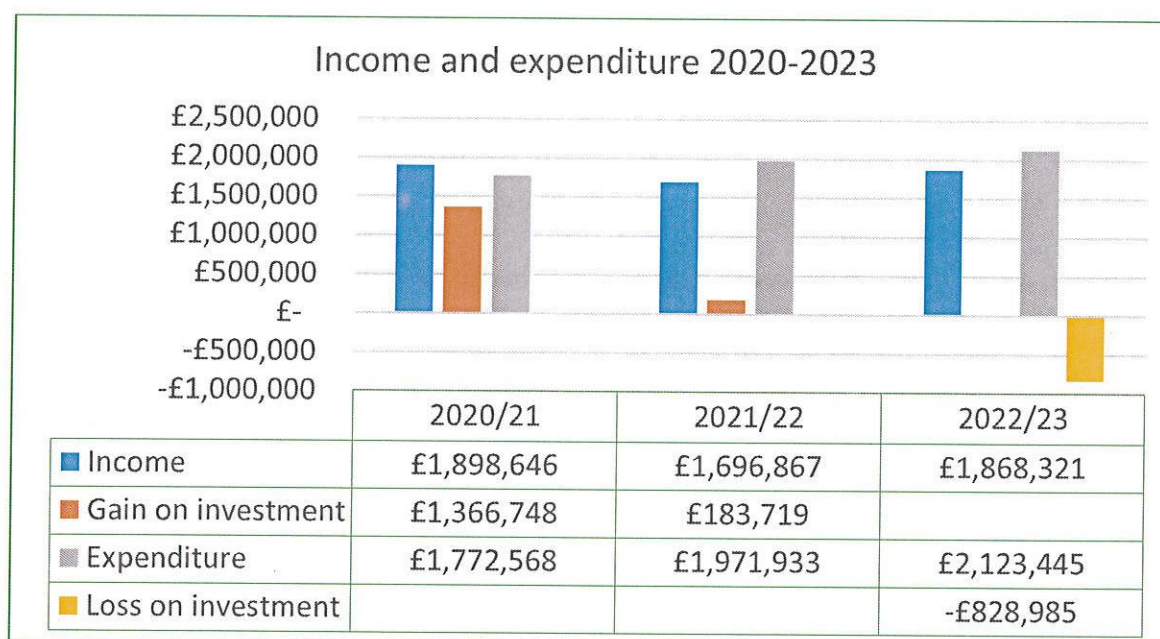
02/11/23

## THE HOSPICE OF THE VALLEYS

### Financial Review

The net expenditure in 2022/23 was £255k (£275k 21/22). There was a loss on investment of £828k in 2022/23 (Gain £184k in 21/22). This resulted in a net movement in funds for the year of £1,084k deficit (£91k deficit in 21/22).

#### Income and expenditure



Income in 2022/23 was £171k higher than the previous year mainly due to £289k received in legacies (£195k cash was received in the financial year 2022/23, £94k cash was received in 22/23).

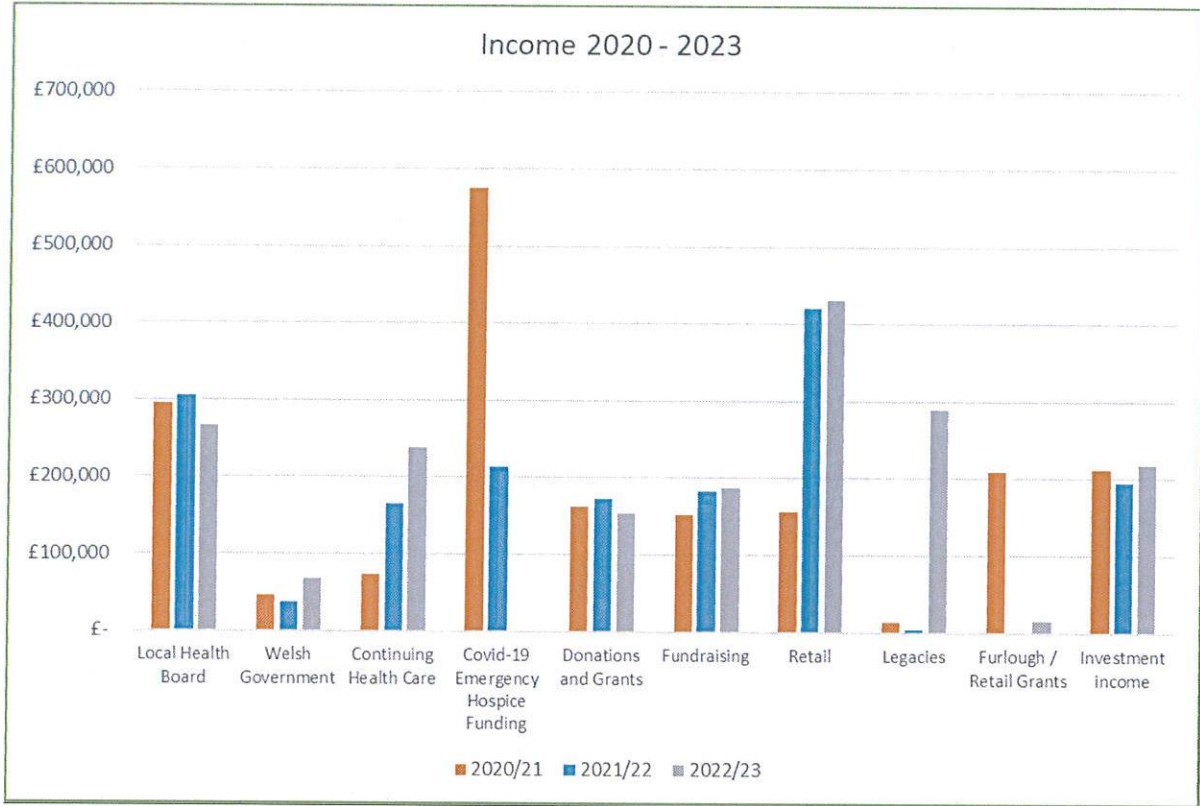
Retail income including grants was £25k higher than the previous year, £12k related to funding received from the government kickstart scheme. Fundraising income was broadly in line with the previous year, individual donations and grants were higher than in the previous year.

Continuing Health Care income increased by £66k in 2022/23 versus the previous year. Funding is received from ABUHB and based on the usage of the service. This increase can be seen in the 'Hours of Care Provided Graph', the hours of care provided have increased by 8% year on year.

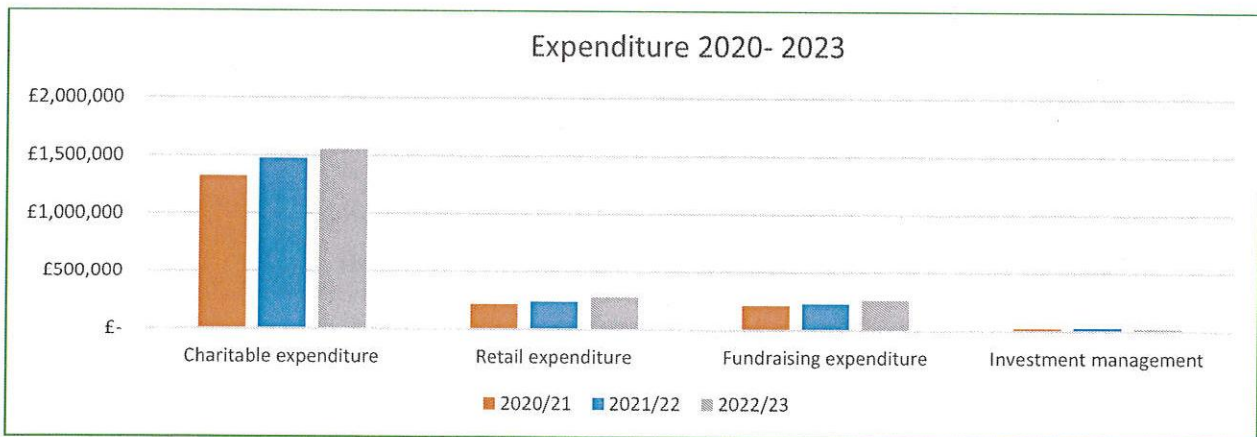
Note: There was £213k of Covid-19 Hospice Funding in 2021/22.

**THE HOSPICE OF THE VALLEYS**

A summary of income received over the last three years:



As expected, the largest expenditure is delivering Hospice Care to the population of Blaenau Gwent and in 2022/23 we spent £1.553m (2021/22: £1.475m) which accounted for 73% of Hospice expenditure (2022/23: 75%).

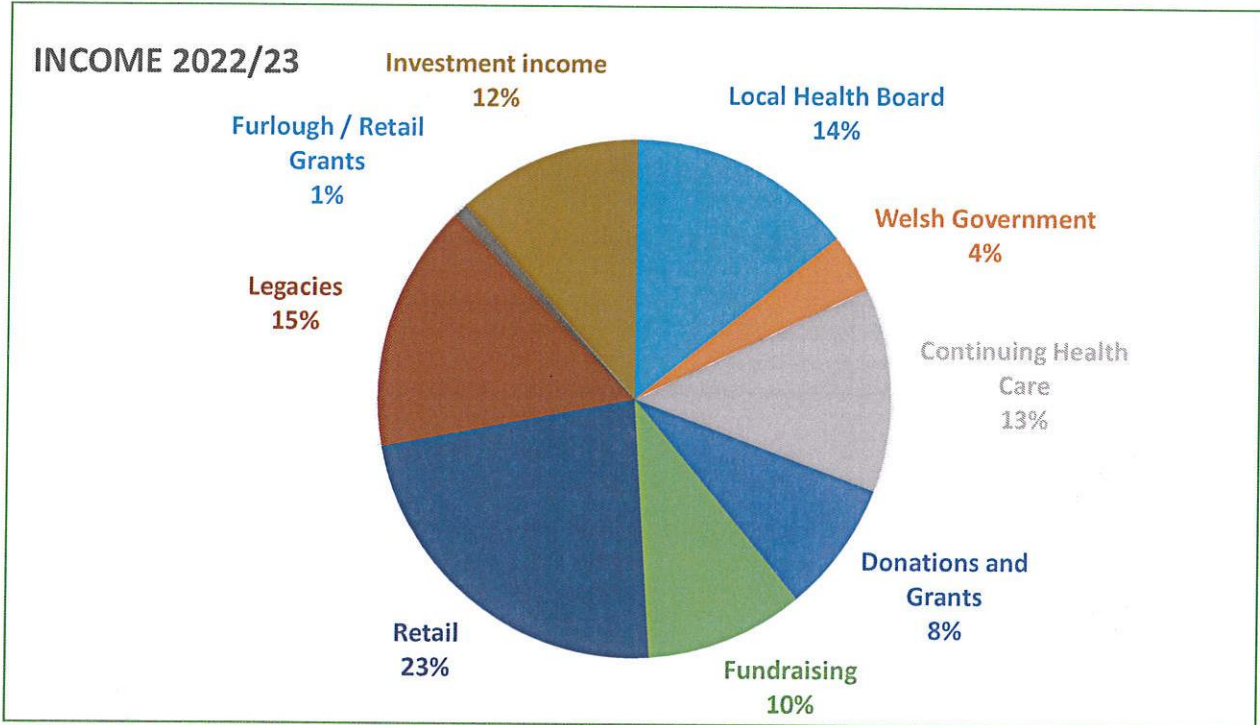


**THE HOSPICE OF THE VALLEYS**

Demand on our service continues to grow, as does our cost base against a backdrop of market political and government forces that affects both the ability of the hospice to secure targeted government / public funding and also navigate the uncertainty around raising income from its local community. The cost-of-living crisis is having an impact on our ability to fundraise and is also likely to affect sales in Hospice Charity shops.

After transfers between funds, unrestricted reserves now stand at £492,397 restricted reserves at £5,912,608.

Principal Funding Sources

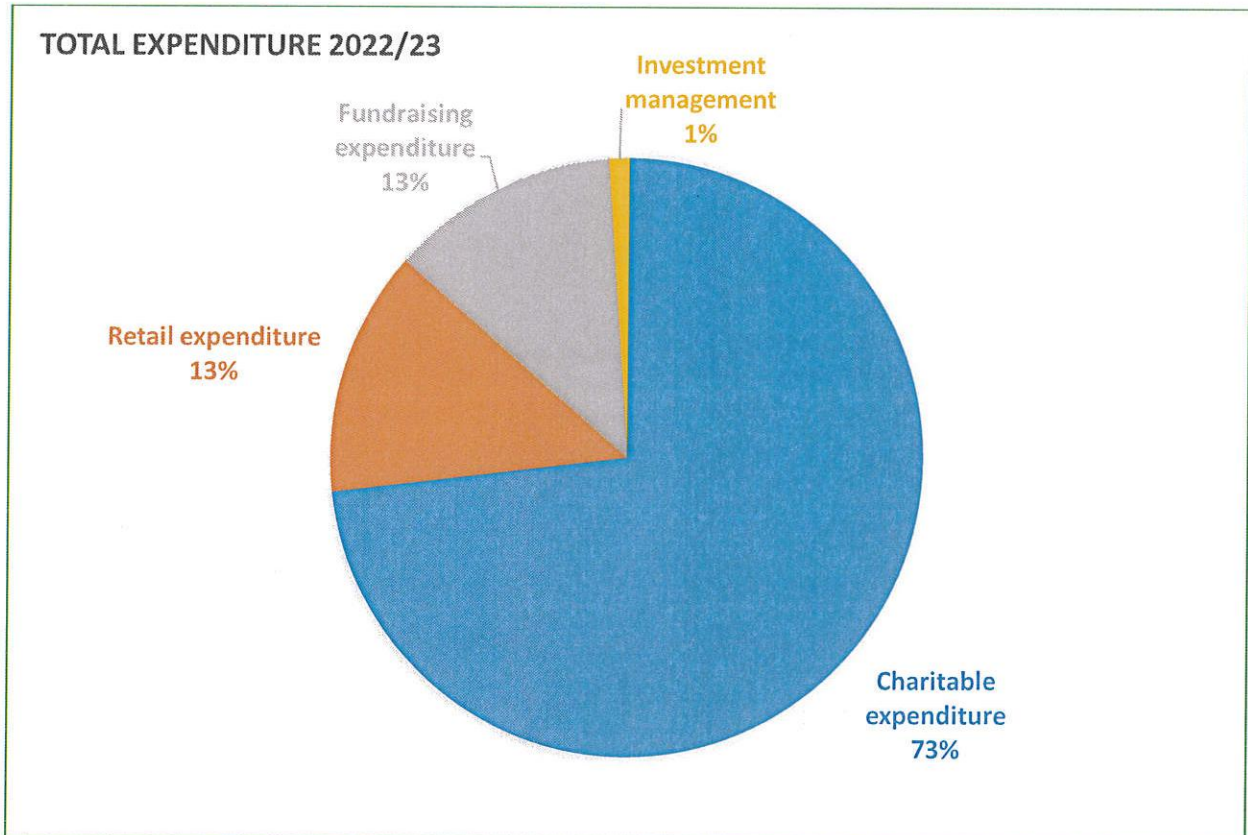


The principal funding sources for the last 3 financial years can be seen below:

Income split	2020/21	2021/22	2022/23
Local Health Board	295,765	305,003	266,787
Welsh Government	45,404	37,497	68,593
Continuing Health Care	73,042	165,516	238,317
Covid-19 Emergency Hospice Funding	575,721	213,014	
Donations and Grants	162,896	172,556	153,394
Fundraising	152,258	182,434	186,938
Retail	157,359	421,261	431,047
Legacies	14,000	3,500	289,016
Furlough / Retail Grants	209,278	909	16,099
Investment income	212,923	195,177	218,130
	<b>1,898,646</b>	<b>1,696,867</b>	<b>1,868,321</b>

## THE HOSPICE OF THE VALLEYS

Income generation contributed 69.3% of total income (2021/22: 57.5%). This included Legacies at 15.5% (2021/22: 0.2%) and Investment Income of 11.7% (2021/22: 11.5%). Legacies are an unpredictable but welcome source of income. Local Health Board, Welsh Government and Continuing Health Care services income contribute 30.7% (2021/22: 29.9% - excluding Covid 19 Funding) of total income. This is a marginal increase year on year but doesn't reflect the pattern of the increasing costs the Hospice is facing.



Total expenditure in 2022/23 was £2.123m (£1.972m 21/22), 79% or £1.681m (£1.584m 80% in 21/22) of which are staff costs. £1.553m relates to Charitable activities and is analysed further in note 7 to the accounts.

### Reserves Policy

Hospice of the Valleys provides palliative care to the population of Blaenau Gwent. It is a core service provider on behalf of the Aneurin Bevan University Health Board and delivers the only Community Specialist Palliative care service in the borough. By any standards, the provision of health care is an expensive business and the Hospice is not immune from the high costs associated with employing specialist healthcare professionals to deliver the service.

The demographics of the borough of Blaenau Gwent are such that it is widely recognised as being one of the poorest areas in Wales and the UK. This can be measured in terms of income, unemployment rates, home and car ownership and morbidity rates. In considering the need for reserves the Hospice takes the position that its clinical service is essential to this population. Sufficient funds should be available to ensure continued delivery of this service for between 9- and 12-months during periods when volatile income falls below predicted levels.

Normally a reserve of six months would be considered acceptable for a charity. However, the essential nature and high cost of our service to the population, together with possible difficulties fundraising locally in such a deprived area, indicate a responsibility to extend our capacity beyond a six-month period.

## THE HOSPICE OF THE VALLEYS

### Reserves Statement

Reserves will be maintained at levels sufficient to maintain services for between 9 and 12 months in accordance with the following procedure:

- The Head of Finance will present a financial report in accordance with the Hospice financial reporting policy at each Trustees meeting. Reports will include income and expenditure forecasts and financial risk assessments and the impact of these on the level of reserves.
- At each Trustees meeting the level of reserves will be reviewed in accordance with the above, taking into account and changes in service, income and costs incurred by the organisation.
- In the event of a surplus in reserve funds, the Chief Executive and Head of Finance will decide to move funds as appropriate in order to maximise interest from any surplus. The level of surplus will be reported to the Board of Trustees who will arrange for the disposal of the surplus funds in accordance with the objects of the Hospice.
- A deficit in reserve funds will be reported to the Board of Trustees and a recovery plan will be presented by the Chief Executive for discussion.

### Required Level of Reserves

In 2023/24 the level of unrestricted expenditure is expected to be £2.4m. This covers all functions of the Hospice including the Clinical Service, Administration and Fundraising. In order to provide a fully functioning organisation, assuming that no income is received for twelve months, it is anticipated that a cash reserve fund equalling expenditure each year is maintained.

However, our investment portfolio was constructed for the sole purpose of realising a regular cash income to help meet the running costs of the Hospice. (This is the reason for the original gift of £5.2m in 2007). The cash withdrawn from our investment portfolio in 2023 was £560k (2021/22: £390k). The value of the investment is currently at a 3 year low and in 2023/24 we are closely monitoring cashflow and will only drawdown when necessary.

A cash-flow contingency fund is also required to ensure the Hospice can meet its monthly obligations in terms of wages, pensions and PAYE should any short-term interruptions to income streams occur. A two-month contingency fund would be sufficient to give Hospice managers time to investigate and correct any income problems. A two-month contingency fund would need to be £400k.



## THE HOSPICE OF THE VALLEYS

The Hospice manages creditors efficiently and strives to pay all invoices before the due date, especially for local suppliers. This means that the amount of cash owing is maintained at the lowest possible level. Most day-to-day invoices are for “hundreds” rather than “thousands” of pounds. At the year end, trade creditors due within 1 year amounted to £116k (Trade Creditors £7k) £103k of the balance at year end has since been paid.

The Board of Trustees considers the Hospice Finances at its Bi-monthly meetings which include an updated forecast to the end of the Financial Year, an updated cashflow and risk management. The Head of Finance prepares a 12-month rolling forecast and is in the process of preparing a 3-year forecast to allow the board of trustees to consider the main risks to the charity and to allow adequate time to plan for the future of the hospice.

At the end of March 2023 cash reserves stood at £550k.

The requirement of 9 months running costs of £1.8m and the “cash-flow” contingency reserve of £400k (£2.2m in total), means there is a cash reserves deficit of £1.65m.

However, our investment manager advises that the entire portfolio could possibly be liquidated within two weeks with a total value as of 30<sup>th</sup> September 2023 of £5,611,519. More immediately, the Treasury stocks, with a value of £318,130 (as of 30 Sep 2023), could be realised in 24 hours. All of these are of course subject to the market state, but under normal circumstances the above can be taken as a good guide.

### Investment Powers and Policy

Under the memorandum and articles of association, the Charity has the power to invest monies not immediately required for its purpose in or upon such investments, securities, or property as may be thought fit. It is the policy of the Hospice to obtain maximum earnings from interest rates whilst maintaining a suitable level of liquidity of funds that will enable it to comply with the reserves policy. The Hospice will comply with this by holding cash accounts with no more than 12 months access to funds. Longer-term investments will not meet the needs of the organisation.

The Hospice has a moderate risk investment strategy with the aim of generating an attractive income to support the patients and carers of the Hospice and to grow the capital above inflation to protect the purchasing power of the savings over the longer term. If urgent funds were required from the portfolio there is currently £318,130 in cash and secure government bonds, capital which could be returned to the Hospice within 1 day.

### Performance

For the financial year to 31<sup>st</sup> March 2023, the below highlights the performance data for the Charity.

Value as of 5<sup>th</sup> Apr 2023: **£5,825,948**

	<b>MSCI Income Index</b>
1 year	-3.8%
3 years	30.2%
5 years	23.9%

All performance figures are quoted net of fees.

## **THE HOSPICE OF THE VALLEYS**

### Market Commentary

We moved into the financial year beginning 1<sup>st</sup> April 2022 with plenty of uncertainties at the forefront of investors' minds. The Russian attack on Ukraine had caused global markets to react with a significant rise in the price of raw materials and food; the indices falling significantly from the levels before the invasion. The diversification of the portfolio, through asset class, geography and sector, combined with the high-quality nature of the businesses we invest in meant the performance over the period lagged the FTSE 100, due in part to the significant rise in the value of Oil and Defence stocks, neither of which are held for ethical reasons.

The invasion of Ukraine has continued to cause an increased power cost and inflation has increased significantly, driven by both food and energy price increases. Whilst the war continues, we expect the market to remain volatile with inflation remaining higher for longer and the possibility of further interest rate rises.

Looking to the next 12 months, the emphasis will continue to be on the Ukraine war as well as the war in the Middle East. Inflation has started to fall whilst the bank of England is signalling that interest rate rises may now be over, though we think that it may be some time before rates start to fall. The delayed impact of higher interest rates is now leading to slower economic growth, as we anticipated. Given this and the higher oil price (due to continued devastating geo-political tension), we remain cautious about equity markets in the short term, as we still expect a moderate recession. That said, with core inflation now finally falling, and interest rates likely at their peak, we fully expect 2024 to provide a turning point. So whilst we are cautious in the short term, the medium and long term investment opportunity is as compelling as we have seen in some time. We remain positive on markets as many stocks do now seem to be significantly undervalued, investment trusts and alternative energy companies are at significant discounts to their asset values. Unemployment remains low; however, wage demands are increasing, and this does mean that inflation may remain higher for longer hence the delay in cutting interest rates.

Since 31<sup>st</sup> March 2023 the value of the portfolio has fallen again, along with markets, which are continuing to be affected by global strife and the impact of higher interest rates. The forecast income is now 3.67%, and we believe that there will be opportunities to increase this over the coming year through the fixed interest market and also from growth in dividends from the good quality companies in which we invest.

## THE HOSPICE OF THE VALLEYS

### Responsibilities of the Trustees

The trustees (who are also directors of Hospice of the Valley for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the management committee are required to prepare financial statements for each financial year. Under company law the management committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these statements, the committee are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and 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 assume that the company will continue on that basis.

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

Insofar as each of the committee of management of the charity at the date of approval of this report is aware there is no such relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

### **Auditor**

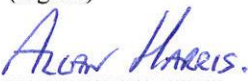
The auditors, Baker Knogle Audit Limited, have expressed their willingness to be re-appointed at the forthcoming AGM.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities FRS102, Charities Act 2011 and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

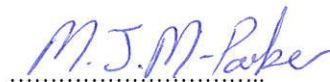
Approved by the council of management on 22/11/23 and signed on their behalf by



(Signed)



(Name)



(Signed)



(Name)

## **THE HOSPICE OF THE VALLEYS**

### **Independent Auditor's Report to the Trustees of Hospice of the Valleys**

#### **Opinion**

We have audited the financial statements of The Hospice of the Valleys (the 'charitable company') for the year ended 31<sup>st</sup> March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31<sup>st</sup> March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

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

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

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

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

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **THE HOSPICE OF THE VALLEYS**

### **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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Officers and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related trade union legislation) and taxation regulation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the Officers.

## THE HOSPICE OF THE VALLEYS

- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement on the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **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.



Richard Phillips FCCA (Senior Statutory Auditor)  
for and on behalf of Baker Knogle Audit Limited  
Statutory Auditors  
Orbit Business Centre  
Merthyr Tydfil  
CF48 1DL

Date: .....13/11/23.....

## THE HOSPICE OF THE VALLEYS

### Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31<sup>st</sup> March 2023

	NOTES	UNRESTRICTED FUNDS £	RESTRICTED FUNDS £	DESIGNATED FUNDS £	31/03/23 TOTAL FUNDS £	31/03/22 TOTAL FUNDS £
<b>Income from:</b>						
Donations and Legacies	3	395,423	46,987	-	442,410	176,056
<b>Charitable activities:</b>						
Local Health Board service level agreement		-	266,787	-	266,787	295,765
Welsh Government Covid-19 Emergency Funding		-	68,593	-	68,593	250,511
Aneurin Bevan University Health Board		-	238,317	-	238,317	174,754
<b>Other trading activities:</b>						
Shop and merchandise sales		431,047	-	-	431,047	421,261
Fundraising		181,697	5,241	-	186,938	182,434
Investments	4	1,112	217,018	-	218,130	195,177
Other	5	16,099	-	-	16,099	909
<b>Total Incoming Resources</b>		<u>1,025,378</u>	<u>842,942</u>	<u>-</u>	<u>1,868,321</u>	<u>1,696,867</u>
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Shops and merchandise		281,360	-	-	281,360	240,561
Fundraising		264,972	-	-	264,972	227,854
Investment management	6	-	24,106	-	24,106	28,867
<b>Charitable activities</b>	7	<u>925,803</u>	<u>627,204</u>	<u>-</u>	<u>1,553,007</u>	<u>1,474,651</u>
<b>Total Expenditure</b>		<u>1,472,135</u>	<u>651,310</u>	<u>-</u>	<u>2,123,444</u>	<u>1,971,933</u>
Gains/losses on investmets		-	(828,985)	-	(828,985)	183,719
<b>Net Income / (Expenditure)</b>		(446,756)	191,632	-	(255,123)	(275,066)
Transfers between funds	19	<u>560,000</u>	<u>(560,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds for the year</b>		113,244	(1,197,352)	-	(1,084,108)	(91,347)
<b>Reconciliation of funds:</b>						
<b>Balances brought forward</b>		<u>379,153</u>	<u>7,109,961</u>	<u>-</u>	<u>7,489,115</u>	<u>7,580,462</u>
<b>Balances carried forward at 31st March 2023</b>	20	<u>492,397</u>	<u>5,912,609</u>	<u>-</u>	<u>6,405,006</u>	<u>7,489,115</u>

The notes on pages 26 to 39 form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.


## THE HOSPICE OF THE VALLEYS


### Balance sheet As at 31<sup>st</sup> March 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		0.00		127
Tangible assets	11		35,006		26,638
Investments	12		<u>5,829,722</u>		<u>7,025,794</u>
			<u>5,864,728</u>		<u>7,052,559</u>
<b>Current assets</b>					
Stocks	13	298		679	
Debtors	14	198,674		172,698	
Cash at bank and in hand		550,314		424,108	
Investment short term deposits		<u>1,716</u>		<u>1,713</u>	
		751,002		599,198	
<b>Creditors:</b>					
Amounts falling due within one year	15	<u>(210,724)</u>		<u>(162,642)</u>	
<b>Net current assets</b>			<u>540,278</u>		<u>436,556</u>
<b>Amounts falling due after one year</b>	16		-		-
<b>Total assets less current liabilities</b>			<u>6,405,006</u>		<u>7,489,115</u>
<b>Capital and reserves</b>					
General Reserves					
- Unrestricted Funds	17		492,397		379,154
- Designated Funds	18		-		-
Restricted Funds	17		<u>5,912,609</u>		<u>7,109,961</u>
			<u>6,405,006</u>		<u>7,489,115</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the council of trustees on *20/11/23* and signed on its behalf by:

  
.....  
(Signed)

  
.....  
(Signed)

*Alan Harris*  
.....  
(Name)

*MATHEW MORRIS-PARKER*  
.....  
(Name)

Companies House Registered Number 2007005

## **THE HOSPICE OF THE VALLEYS**

### **Statement of Cash Flows for the year ended 31<sup>st</sup> March 2023**

	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>			
Net cash (used in) operating activities	26	<u>(412,262)</u>	<u>(194,722)</u>
<b>Cash flows from investing activities</b>			
Interest from investments		1,112	33
Purchase of tangible/intangible fixed assets		(29,639)	(1,949)
Transfers from investments		560,000	390,000
Proceeds from disposal of fixed assets		7,000	-
<b>Net cash provided by investing Activities</b>		<u>538,473</u>	<u>388,084</u>
<b>Increase (decrease) in cash and cash equivalents in the year</b>		126,210	193,362
<b>Cash and cash equivalents at the beginning of the year</b>		<u>425,821</u>	<u>232,459</u>
<b>Total cash and cash equivalents at the end of the year</b>		<u>552,031</u>	<u>425,821</u>

## **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023

### **1. Charity information**

The Hospice of the Valleys was incorporated in England and Wales as a company limited by guarantee with Companies House (registered number 2007005) and has no share capital. The Hospice of the Valleys was also registered with the Charity Commission (registered number 517724). The address of the registered office is Festival Drive, Ebbw Vale, Gwent, NP23 8XF.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

### **2. Accounting policies**

#### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The incorporated charity is registered in England and Wales.

#### **Going concern**

The charity produces annual budgets and forecasts which take into account expected changes in the funding streams and which demonstrate that the charity will be able to continue to operate. Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and are not aware of any material uncertainties regarding this assumption. On this basis, the trustees consider it appropriate to continue to prepare the financial statements on the going concern basis.

#### **Income**

All income is included in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The following specific policies are applied:

#### **Voluntary Income**

Voluntary income is income received by way of grants, gifts or donation. These are included in full on receipt unless it is subject to a condition when it is treated as deferred income.

#### **Gifts in Kind**

The value of services provided by volunteers is not quantified.

#### **Deferred Income**

Income or grants received in advance are held as deferred income and carried forward to future accounting periods to be released when the defined purpose of the work or project have been completed, approved or certified.

#### **Investment Income**

Investment income is included when receivable.

#### **Trading Income**

Trading income is recognised when earned.

## **THE HOSPICE OF THE VALLEYS**

### **Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023**

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

#### **Costs of Generating Funds**

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops.

#### **Charitable Expenditure**

Charitable expenditure comprises those costs incurred by the charity in delivery of its activities and service for its beneficiaries. It includes the costs that can be attributed directly to those activities and those costs of an indirect nature necessary to support them.

#### **Governance Costs**

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

#### **Investments**

Listed fixed asset investments are included at fair value (quoted market price in an active market). All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

#### **Fund Accounting**

- Restricted funds are to be used for specific purposes laid down by the donor. Expenditure which meets these criteria is allocated against the fund.
- Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes and are expendable at the discretion of the trustees in furtherance of the objects and administration of the charity.
- Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

#### **Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are charitable objects

#### **Operating leases**

Rentals applicable to operating leases where substantially all the risks and benefits of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

#### **Financial instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised as transaction value and subsequently measured at their settlement value.

## **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023

### **Intangible fixed assets**

Software has been capitalised and amortised over its useful life of 5 years.

### **Tangible fixed assets**

Fixed assets (excluding investments) are included at cost less an appropriate provision for depreciation. Items donated or purchased for a cost of less than £500 are not capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office Equipment	- 20% on cost
IT Equipment	- 33% on cost
Clinical Equipment	- 20% on cost
Shop Fixtures	- 20% on cost
Motor Vehicles	- 25% on reducing balance
Day Centre	- 20% on cost
Property Improvements	- Over period of lease

### **Stocks**

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Donated stock held at charity shops is not valued.

### **Interest receivable**

Interest on funds held on deposit is included when receivable, and the amount can be measured reliably by the charity.

### **Cash at bank and in hand**

Cash at bank and cash in hand includes current and short-term liquid deposit accounts with a short maturity.

### **Debtors**

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

### **Creditors**

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

### **Pensions**

The charity contributes to a defined benefit scheme operated by the NHS. The charity also contributed to some employees' personal pension schemes.

The NHS scheme is a defined benefit scheme which is unfunded. This is a multi-employer pension scheme based on final pensionable pay, contributions being charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company. The charity accounts for the scheme as a defined contribution scheme and is not required to account for any of the assets or liabilities of the scheme in accordance with FRS102.

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023

### 3. Donations and Legacies

	Unrestricted	Restricted	Designated	2023 Total	2022 Total
	£	£	£	£	£
Charitable Trusts	45,000	43,100	-	88,100	72,829
Voluntary Donations	61,407	3,887	-	65,294	80,018
Miscellaneous	0	0	-	0	19,709
Legacies	289,016	0	-	289,016	3,500
	<u>395,423</u>	<u>46,987</u>	<u>-</u>	<u>442,410</u>	<u>176,056</u>

### 4. Investment Income

	2023 £	2022 £
Dividends - UK equities	192,350	167,826
Interest on cash deposits within investment portfolio	-	-
Interest on fixed interest securities	24,101	27,318
Interest on current accounts	1,679	33
	<u>218,130</u>	<u>195,177</u>

### 5. Other Income

	2023 £	2022 £
Furlough	-	909
Kickstart grants	12,687	-
Training income	3,412	-
	<u>16,099</u>	<u>909</u>

### 6. Investment Management Costs

	2023 £	2022 £
Investment management fees	24,106	28,867
	<u>24,106</u>	<u>28,867</u>

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023

### 7. Analysis of Charitable Expenditure

Notes	Unrestricted	Restricted	Total	Total
	2023	2023	2023	2022
	£	£	£	£
Medical salaries and pensions	479,354	622,491	949,318	1,030,727
Social worker salaries and expenses	1,967	0	154,494	1,645
Drugs and medical supplies	96	0	96	175
Clinic rent	0	0	0	0
Motor expenses	15,912	0	15,912	18,791
Clinic food and other costs	0	4,128	4,128	1,603
Clinical equipment maintenance	4,122	0	4,122	1,662
Telephone costs	5,244	0	5,244	6,236
Training	9,921	0	9,921	7,875
Recruitment	0	0	0	0
Medical equipment depreciation	37	0	37	37
Equipment loss on disposal	0	0	0	0
Miscellaneous	36	585	621	1,323
Support costs	325,308	0	325,308	319,475
Governance	83,806	0	83,806	85,102
	<u>925,803</u>	<u>627,204</u>	<u>1,553,007</u>	<u>1,474,651</u>

### 8. Resources Expended – Allocation of Support Costs

Support costs allocated to activities	Basis of allocation	Fund	Charitable	Governance	2023	2022
		Raising	Activities		Total	Total
		£	£	£	£	£
General office and finance staff	Salary costs	48,389	187,233	48,235	283,856	274,564
Premises	Salary costs	14,021	54,253	13,977	82,251	77,923
Insurance	Salary costs	2,483	9,608	2,475	14,566	13,110
IT & Communications	Salary costs	8,680	33,585	8,652	50,917	47,789
Legal & Professional	Salary costs	6,041	23,374	6,022	35,437	30,122
Depreciation	Salary costs	2,086	8,072	2,079	12,237	22,925
Motor Expenses	Salary costs	392	1,516	391	2,298	3,134
Miscellaneous	Salary costs	1,982	7,667	1,975	11,624	13,416
		<u>84,074</u>	<u>325,308</u>	<u>83,806</u>	<u>493,187</u>	<u>482,983</u>

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023

### 9. Net income/(expenditure) for the year

This is stated after charging:

	2022/23	2021/22
This is stated after charging:	£	£
Depreciation - Owned Assets	17,127	10,590
Depreciation - assets on finance	-	8,749
Amortisation	127	1,529
Auditors' Remuneration	3,605	3,600
Accountants fees	5,195	777

### 10. Intangible Fixed Assets

	Software £	Total £
<b>COST:</b>		
As at 1st April 2022	7,645	7,645
Additions	-	-
Disposals	-	-
As at 31st March 2023	<u>7,645</u>	<u>7,645</u>
<b>DEPRECIATION</b>		
As at 1st April 2022	7,518	7,518
Charge for year	127	127
Eliminated on disposal	-	-
As at 31st March 2023	<u>7,645</u>	<u>7,645</u>
<b>NET BOOK VALUE</b>		
As at 31 <sup>st</sup> March 2023	<u>-</u>	<u>-</u>
As at 31 <sup>st</sup> March 2022	<u>127</u>	<u>127</u>

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023

### 11. Tangible Fixed Assets

	Office Equipment	Clinical Equipment	Shop Fixtures & Fittings	Motor Vehicles	Day Centre	Property Improvements	Total
	£	£	£	£	£	£	£
<b>COST:</b>							
As at 1st April 2022	88,150	3,025	1,863	26,582	12,528	89,007	221,154
Additions	649	-	-	28,990	-	-	29,639
Disposals	0	-	-	(15,290)	-	-	(15,290)
As at 31st March 2023	88,799	3,025	1,863	40,282	12,528	89,007	235,504
<b>DEPRECIATION</b>							
As at 1st April 2022	69,378	3,025	1,863	18,792	12,451	89,007	194,516
Charge for year	12,110	-	-	4,980	37	-	17,127
Eliminated on disposal	0	-	-	(11,145)	-	-	(11,145)
As at 31st March 2023	81,488	3,025	1,863	12,627	12,488	89,007	200,498
<b>NET BOOK VALUE</b>							
As at 31 <sup>st</sup> March 2023	7,311	-	-	27,655	40	-	35,006
As at 31 <sup>st</sup> March 2022	18,771	-	-	7,790	77	-	26,638

The net book value at 31<sup>st</sup> March 2023 represents tangible fixed assets used for:

	Office Equipment	Clinical Equipment	Shop Fixtures & Fittings	Motor Vehicles	Day Centre	Property Improvements
	£	£	£	£	£	£
<b>DIRECT CHARITABLE PURPOSES</b>						
Community Services	2,924	-	-	11,062	40	-
Other Purposes	-	-	-	-	-	-
Administration office	4,386	-	-	-	-	-
Fundraising	-	-	-	16,593	-	-
	7,311	-	-	27,655	40	-

	2023 £	2022 £
<b>12. Investments (including cash deposits)</b>		
Market value as at 1 <sup>st</sup> April 2022	7,025,794	7,065,799
Disposals at carrying value (transfers to income)	(560,000)	(390,000)
Investment income	217,018	195,144
Investment costs charged and accrued	(24,106)	(28,867)
Net (loss)/gain on revaluation	(904,161)	182,041
Net (loss)/gain on disposals	75,176	1,677
Market value as at 31 <sup>st</sup> March 2023	5,829,721	7,025,794

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023

### 12. Investments (including cash deposits) continued

Investments at market value comprised of:

	2023	2022
	£	£
UK equities	2,401,799	2,705,412
Overseas equities	1,935,839	1,749,333
Cash deposits	69,448	30,084
UK fixed interest securities	502,669	1,415,426
Overseas fixed interest	115,583	-
Alternatives	800,610	1,123,982
	<u>5,825,948</u>	<u>7,024,237</u>
Income held in bank accounts	3,773	1,557
	<u>5,829,721</u>	<u>7,025,794</u>

### INVESTMENTS IN SUBSIDIARIES

	2023	2022
	£	£
HOV TRADING LIMITED	<u>1</u>	<u>-</u>
<b>TOTAL INVESTMENTS</b>	<u>5,829,722</u>	<u>7,025,794</u>

### 13. Stocks

Merchandise for resale

	2023	2022
	£	£
	<u>298</u>	<u>679</u>

### 14. Debtors: amounts falling due within one year

	2023	2022
	£	£
Trade Debtors	6,491	11,886
Other debtors	14,108	12,878
Prepayments and Accrued Income	178,075	147,934
	<u>198,674</u>	<u>172,698</u>

### 15. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	7,035	17,342
Accrued expenses	58,809	63,681
Deferred income	35,601	31,343
Other creditors	109,279	50,276
	<u>210,724</u>	<u>162,642</u>

## **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023

### **Deferred income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Opening balance	31,343	60,709
Movement in period	4,258	(29,366)
	<u>35,601</u>	<u>31,343</u>

Deferred income represents income received from contributing agencies where the contribution was restricted to a fixed time period that extends beyond the current financial year. Income is deferred on the basis that the contribution was to the project as a whole, the time period of the project was fully disclosed to the contributing agencies and that time period is certain.

### **Deferred income continued**

The deferred income carried forward is analysed as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Aneurin Bevan University Health Board	24,899	3,755
Welsh Government	-	20,741
Other	10,702	6,847
	<u>35,601</u>	<u>31,343</u>

### **16. Creditors: amounts falling due after one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other creditors	-	-
	<u>-</u>	<u>-</u>

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023

### 17. Movements in funds

	At 01/04/2022	Incoming Resources (including gains)	Outgoing Resources (including losses)	Net Transfers	At 31/03/2023
	£	£	£	£	£
<b>Restricted Funds</b>					
Robin Judah investment portfolio	7,025,794	217,018	(853,091)	(560,000)	5,829,721
ABUHB	18,092	303,203	(305,595)	-	15,700
Welsh Government	-	75,129	(75,129)	-	-
Continuing Health Care	-	160,176	(160,176)	-	-
ABHUB - Hospice at Home	-	82,176	(82,176)	-	-
Other	66,074	5,240	(4,128)	-	67,187
	<u>7,109,960</u>	<u>842,942</u>	<u>(1,480,295)</u>	<u>(560,000)</u>	<u>5,912,609</u>
<b>Unrestricted Funds</b>					
- General	379,154	1,025,377	(1,472,135)	560,000	492,397
- Designated	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### Purposes of restricted funds

##### **Robin Judah Investment Portfolio**

This donation was given with the restriction that it could not be used for capital projects but is available for general running costs.

##### **Aneurin Bevan University Health Board (ABUHB)**

This funding is given to support specialist nurses and related costs. Further funding is given to support a Hospital Admissions Avoidance Project (HAAP) along with education funding.

##### **Welsh Government**

This fund is for NHS matched pension contributions.

##### **Continuing Health Care**

This funding is given to support specialist nurses and related costs.

##### **ABUHB – Hospice at Home**

This funding is given to support specialist nurses to provide palliative care through the hospice at home service.

##### **Other**

These funds relate to donations given specifically for the purchase of specific items, such as equipment for patients, clinic rent and for the social workers to spend at their discretion to help the families of patients who may be suffering financial difficulties.

### 18. Designated Funds

	2023 £	2022 £
Balance brought forward 1 <sup>st</sup> April 2022	-	-
Interest received for year	-	-
Transferred to unrestricted funds	-	-
	<u>-</u>	<u>-</u>
Balance carried forward 31 <sup>st</sup> March 2023	<u>-</u>	<u>-</u>

## **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023

### **19. Transfers Between Funds**

The following transfer was made in the year:

- £560,000 was transferred from income and gains on the investment portfolio to be used for general running costs.

### **20. Analysis of Net Assets between Funds**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Designated Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Intangible fixed assets	-	-	-	-
Tangible fixed assets	32,425	2,581	-	35,006
Investments	-	5,829,721	-	5,829,721
Current assets	628,803	122,197	-	751,001
Current liabilities	(168,832)	(41,891)	-	(210,723)
Liabilities over 1 year	-	0	-	-
<b>Net assets at 31<sup>st</sup> March 2023</b>	<b>492,397</b>	<b>5,912,609</b>	<b>-</b>	<b>6,405,006</b>

### **21. Analysis of staff costs and numbers, and the cost of key management personnel**

Staff costs were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Salaries and wages	1,427,090	1,330,721
Social security costs	142,571	126,674
Pension costs	112,399	99,898
	<u>1,682,059</u>	<u>1,557,293</u>

The charity considers that its key management personnel comprise the CEO, the Head of Finance and the Head of Clinical Services. The total employment benefits including employer pension contributions of the key management personnel were £165,613 (2022: £156,204).

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was 1 (2022: 1). This employees' emoluments fell within the £70,000 to £80,000 band.

## **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023

### **21. Analysis of staff costs and numbers, and the cost of key management personnel continued**

The average monthly number of employees during the year was as follows:

	<b>Total</b>	
	<b>2023</b>	<b>2022</b>
Hospice services	27.90	32.20
Fundraising and publicity (including shops)	11.30	10.30
Management and administration of the charity	11.60	9.00
	<u>50.80</u>	<u>51.50</u>

### **22. Trustees' Remuneration**

No members of the management committee received any remuneration or other payments during the year (2022: nil), subject to as noted below.

### **23. Related Party Transactions**

Income of £303,293 (2022: £306,813) has been received from Aneurin Bevan University Health Board, of which, P Robson (director) is a Special Board Advisor. Transactions totalling £1,269 were enacted between the Hospice and Roseblade Media Ltd during the year, a trading company owned and run by Mr Mathew Morris-Parker (director), (2022: £444).

	<b>2023</b>	<b>2022</b>
<b>24. Capital Commitments</b>	<u>Nil</u>	<u>Nil</u>
<b>25. Contingent liabilities</b>	<u>Nil</u>	<u>Nil</u>

### **26. Reconciliation of net movement in funds to net cashflow from operating activities**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net movement in income/ (expenditure)	(1,094,108)	(91,347)
Add back amortisation charge	127	1,529
Add back depreciation charge	17,126	24,029
Add back gain on disposal	(2,855)	691
(Gains)/losses on investments	828,985	(183,719)
Dividends and interest from investments	(218,130)	(195,176)
Investment charges accrued	24,106	28,867
Decrease (increase) in stocks	381	154
Decrease (increase) in debtors	(15,975)	253,853
Increase (decrease) in creditors	48,081	(33,603)
	<u>                    </u>	<u>                    </u>
Net cash used in operating activities	<u>(412,262)</u>	<u>(194,722)</u>
<b>Analysis of cash and cash equivalents</b>		
Net cash at the end of the year.	<u>552,031</u>	<u>425,821</u>

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023

### 27. Pension Costs

Net pension costs of £111,439 (2022 - £99,898) were charged to the Statement of Financial Activities during the year. Included in other creditors at 31 March 2023 was £31,062 (2022 - £7,020) in relation to the personal schemes.

### 28. Operating Lease Commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	46,117	74,160
Between two and five years	9,333	55,510
	<u>55,450</u>	<u>129,670</u>

### 29. Comparatives for Movement in Funds

	At 01/04/2021	Incoming Resources (including gains)	Outgoing Resources (including losses)	Net Transfers	At 31/03/2022
	£	£	£	£	£
<b>Restricted Funds</b>					
Robin Judah investment portfolio	7,065,799	378,862	(28,867)	(390,000)	7,025,794
ABUHB	14,131	306,813	(302,852)	-	18,092
Welsh Government	-	37,497	(37,497)	-	0
Continuing Health Care	-	79,887	(79,887)	-	0
ABHUB - Hospice at Home	-	83,820	(83,820)	-	0
Other	64,059	58,958	(56,943)	-	66,074
	<u>7,143,989</u>	<u>945,836</u>	<u>(589,865)</u>	<u>(390,000)</u>	<u>7,109,960</u>
<b>Unrestricted Funds</b>					
- General	436,473	934,748	(1,382,068)	390,000	379,153
- Designated	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### Purposes of restricted funds

##### **Robin Judah Investment Portfolio**

This donation was given with the restriction that it could not be used for capital projects but is available for general running costs.

##### **Aneurin Bevan University Health Board (ABUHB)**

This funding is given to support specialist nurses and related costs. Further funding is given to support a Hospital Admissions Avoidance Project (HAAP) along with education funding.

##### **Welsh Government**

This fund is for NHS matched pension contributions.

##### **Continuing Health Care**

This funding is given to support specialist nurses and related costs.

##### **ABUHB – Hospice at Home**

This funding is given to support specialist nurses to provide palliative care through the hospice at home service.

##### **Other**

These funds relate to donations given specifically for the purchase of specific items, such as equipment for patients, clinic rent and for the social workers to spend at their discretion to help the families of patients who may be suffering financial difficulties.

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2023

### 30. Comparatives for the Statement of Financial Activities

	UNRESTRICTED FUNDS	RESTRICTED FUNDS	DESIGNATED FUNDS	31/03/22 TOTAL FUNDS	31/03/21 TOTAL FUNDS
	£	£	£	£	£
<b>Income from:</b>					
Donations and Legacies	119,443	56,613	-	176,056	176,896
<b>Charitable activities:</b>					
Local Health Board service level agreement	-	295,765	-	295,765	295,765
Welsh Government Covid-19 Emergency Funding	213,014	37,497	-	250,511	45,404
Aneurin Bevan University Health Board	-	-	-	-	575,721
	-	174,754	-	174,754	73,042
<b>Other trading activities:</b>					
Shop and merchandise sales	421,261	-	-	421,261	157,359
Fundraising	180,089	2,345	-	182,434	152,258
Investments	33	195,144	-	195,177	212,923
Other	909	-	-	909	209,278
<b>Total Income</b>	<u>934,749</u>	<u>762,118</u>	<u>-</u>	<u>1,696,867</u>	<u>1,898,646</u>
<b>Expenditure on:</b>					
<b>Raising funds:</b>					
Shops and merchandise	240,561	-	-	240,561	216,149
Fundraising	225,416	2,438	-	227,854	210,980
Investment management	-	28,867	-	28,867	25,307
<b>Charitable activities</b>	<u>916,091</u>	<u>558,560</u>	<u>-</u>	<u>1,474,651</u>	<u>1,320,132</u>
<b>Total Expenditure</b>	<u>1,382,068</u>	<u>589,865</u>	<u>-</u>	<u>1,971,933</u>	<u>1,772,568</u>
Gains/ (losses) on investments	-	183,719	-	183,719	1,366,748
<b>Net Income / (Expenditure)</b>	(447,319)	172,253	-	(275,066)	126,078
Transfers between funds	390,000	(390,000)	-	-	-
<b>Net movement in funds for the year</b>	<u>(57,319)</u>	<u>(34,028)</u>	<u>-</u>	<u>(91,347)</u>	<u>1,492,826</u>
<b>Reconciliation of funds:</b>					
<b>Balances brought forward</b>	<u>436,473</u>	<u>7,143,989</u>	<u>-</u>	<u>7,580,462</u>	<u>6,087,636</u>
<b>Balances carried forward at 31<sup>st</sup> March 2022</b>	<u>379,154</u>	<u>7,109,961</u>	<u>-</u>	<u>7,489,115</u>	<u>7,580,462</u>

**THE HOSPICE OF THE VALLEYS**

**The following pages do not form part of the statutory accounts of the charity**

## THE HOSPICE OF THE VALLEYS

### Total Funds Income and Expenditure Account for the year ended 31<sup>st</sup> March 2023

	Unrestricted 2023 £	Restricted 2023 £	Unrestricted 2022 £	Restricted 2022 £
Robin Judah Trust	0	0	0	0
Charitable Trusts	45,000	43,100	34,500	38,329
Donations & Legacies	350,423	3,887	83,518	0
NHS Donations & Grants	0	184,611	0	221,183
Sales of Merchandise	553	0	121	0
Bank Interest Received	1,112	0	33	0
Investment Income	0	217,018	0	195,144
Aneurin Bevan Health Board	0	238,317	0	165,516
Events/Community Fundraising	181,697	5,241	180,089	2,345
ABUHB - Hospice at Home	0	82,176	0	83,820
Shop Income	430,494	0	421,139	0
Welsh Government	0	68,593	213,014	37,497
Furlough & Retail Grants	12,687	0	909	0
Other	3,412	0	1,425	18,284
	<u>1,025,378</u>	<u>842,942</u>	<u>934,748</u>	<u>762,117</u>
 <b>Expenditure</b>				
<b>Charitable Activities</b>				
Clinical Salaries	426,780	592,098	440,579	511,488
Clinical Pensions	52,575	30,392	49,153	29,507
Social Worker Salaries	0	0	0	0
Social Worker Expenses	1,967	0	1,645	0
Drugs & Clinical Supplies	96	0	175	0
Clinic Rent	0	0	0	0
Motor Expenses	15,912	0	18,791	0
Clinic Food & Other Costs	0	4,128	274	1,330
Clinical Equipment Maintenance	4,122	0	1,032	630
Clinical Mobile Phones	5,244	0	6,011	225
Training	9,921	0	6,375	1,500
Miscellaneous	36	585	17	1,305
Medical Equipment Depreciation	37	0	37	0
Medical equipment loss on disposal	0	0	0	0
Recruitment	0	0	0	0
Support Costs	325,308	0	309,545	9,931
	<u>841,998</u>	<u>627,204</u>	<u>833,634</u>	<u>555,915</u>

## THE HOSPICE OF THE VALLEYS

### Total Funds Income and Expenditure Account for the year ended 31<sup>st</sup> March 2023 continued

	Unrestricted 2023 £	Restricted 2023 £	Unrestricted 2022 £	Restricted 2022 £
<b>Fundraising &amp; Publicity</b>				
Salaries	112,784	0	110,896	0
Pensions	10,633	0	0	0
Motor Expenses	9,982	0	5,680	0
Printing & stationery	0	0	0	0
Training	996	0	2,176	0
Merchandise for resale	814	0	3,969	0
Fundraising expenses	11,404	0	16,568	0
Events	20,254	0	8,595	0
Shop Rental & Costs	103,586	0	91,930	0
Retail salaries	171,981	0	142,065	0
Investment management fees & charges	0	24,106	0	28,867
Telephone	2,060	0	2,527	0
Shop Fittings & Vehicle Depreciation	4,979	0	2,596	0
Database costs	2,690	0	3,005	0
Support Costs	97,024	0	75,969	2,437
Loss on disposal of fixed assets	(2,855)	0	0	0
	<u>546,331</u>	<u>24,106</u>	<u>465,977</u>	<u>31,304</u>
<b>Management &amp; Admin / Governance</b>				
Salaries	266,018	0	252,383	9,238
Pensions	17,839	0	12,944	0
Motor/Relocation Expenses	2,298	0	3,134	0
Telephone & Postage	15,782	0	14,532	0
Printing & Stationery	5,353	0	4,635	0
Insurance	14,566	0	13,110	0
Accountants fees	5,195	0	777	0
Auditors Remuneration	3,605	0	3,600	0
Professional fees	11,474	0	9,704	0
Bank Charges and Interest	3,072	0	3,396	0
Miscellaneous	5,820	0	7,179	0
Office Equipment Depreciation	12,110	0	21,395	0
Property Improvements depreciation	0	0	0	0
Software amortisation	127	0	1,529	0
Repairs & Maintenance	0	0	0	0
Subscriptions	3,020	0	2,369	0
Rent and Rates	74,609	0	69,086	0
IT Expenses	27,640	0	20,778	5,775
Office Cleaning and Expenses	7,642	0	8,837	0
Office machine rental	2,142	0	2,069	0
Lease finance interest	(288)	0	473	0
Irrecoverable vat	0	0	0	0
Personnel services	15,164	0	16,042	0
	<u>493,187</u>	<u>0</u>	<u>467,970</u>	<u>15,013</u>

**THE HOSPICE OF THE VALLEYS**

**Total Funds Income and Expenditure Account  
for the year ended 31<sup>st</sup> March 2023 continued**

	Unrestricted 2023 £	Restricted 2023 £	Unrestricted 2022 £	Restricted 2022 £
Less allocated to charitable and fundraising expenses	<u>(409,382)</u> 83,806	<u>0</u> 0	<u>(385,513)</u> 82,456	<u>(12,368)</u> 2,645
Transfer of funds	<u>560,000</u>	<u>(560,000)</u>	<u>390,000</u>	<u>(390,000)</u>
(Deficit) / surplus of income over expenditure	<u>113,244</u>	<u>(368,367)</u>	<u>(57,320)</u>	<u>(217,747)</u>

**HOSPICE OF THE VALLEYS**

England & Wales - Charity number 517724

---

# Accounts

---

**THE HOSPICE OF THE VALLEYS**  
**(A REGISTERED CHARITY)**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> MARCH 2022**

**Charity Number: 517724**

**Company Number: 2007005**

# THE HOSPICE OF THE VALLEYS

<b>CONTENTS</b>	<b>PAGE</b>
Reference and administrative information	1
Report of the Trustees/Directors	2 - 13
Independent auditors report	14 - 16
Statement of financial activities	17
Balance sheet	18
Statement of cashflows	19
Notes forming part of the financial statements	20 - 31

# **THE HOSPICE OF THE VALLEYS**

## **Report of the Trustees for the year ended 31<sup>st</sup> March 2022**

The trustees present their report and the audited annual financial statements for the year ended 31<sup>st</sup> March 2022

### **Reference and administrative information**

<b>Charity Name:</b>	The Hospice of the Valleys	
<b>Company Registered Number:</b>	2007005	
<b>Charity Registered Number:</b>	517724	
<b>Registered Office:</b>	Festival Drive, Ebbw Vale, Gwent, NP23 8XF	
<b>Trustees/Directors:</b>	Miss Susan Kent MBE DL (CHAIR) Mr Allan Harris (Vice Chair) Mr Alan Williams Mr Phillip Robson Mr Kevan Lines (resigned 6 <sup>th</sup> June 2021) Reverend Barry Roche (resigned 26 <sup>th</sup> July 2022) Mrs Sally Mirando Mr Robert James (deceased July 8 <sup>th</sup> 2022) Mr Mathew Morris-Parker Ms Nina Holmes (resigned 28 <sup>th</sup> March 2022) Mrs Julie Timothy (appointed 26 <sup>th</sup> July 2022) Mr Stuart Williams (appointed 26 <sup>th</sup> July 2022) Mr Owen James (appointed 24 <sup>th</sup> May 2022)	
<b>Company Secretary:</b>	Mr Grant Usmar	
<b>Senior Management Team:</b>	Mr Grant Usmar – Chief Executive Mrs Jane Hart MBE – Head of Clinical Services Mrs Heather Beynon FCCA – Head of Finance	
<b>Independent Auditors:</b>	Baker Knogle Chartered Accountants, Orbit Business Centre, Rhydycar Business Park, Merthyr Tydfil CF48 1DL	
<b>Accountants:</b>	Hale Jackson Knight Limited, 19 Gloucester Road, Ross-on-Wye, Herefordshire, HR9 5LQ (to 19 <sup>th</sup> November 2021)	
<b>Bankers:</b>	Lloyds Bank Plc. 8 High Town Hereford HR1 2AE	The Co-operative Bank PO Box 250 Skelmersdale WN8 6WT
<b>Investment Bankers:</b>	Rathbones, 159 New Bond Street, London, W15 2UD	
<b>Solicitors:</b>	Lewis & Lines, Commercial Chambers Abertillery, Gwent, NP13 1YB	

# THE HOSPICE OF THE VALLEYS

## Report of the Trustees for the year ended 31<sup>st</sup> March 2022

### **Structure, Governance and Management**

The Trustees/directors are pleased to present their report and financial statements for the year ended 31st March 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

#### Governing Document

The charity is a charitable company limited by guarantee, incorporated on 4th April 1986. It is governed by a memorandum and articles of association and does not have a share capital. The limited company registration number is 2007005. The company is a registered charity under the Charity Commission, reference number 517724.

#### Appointment of Trustees / Directors

The Directors of the company are also charity trustees for the purpose of charity law, and under the company's Articles are known as the Council of Trustees (The Trustees). As set out in the Articles the number of members of the council shall not be less than five nor more than ten.

Trustees are appointed by the board of trustees in accordance with the Hospice's procedure on appointment of new trustees. Trustees appointed in the year are interviewed by the Chairman prior to being elected by the Board of Trustees. Such appointments are ratified by the members at the next General Meeting. Trustees must sign an undertaking that they are fit to serve (i.e. meet specific requirements).

Trustees serve for six years after which this may be renewed by the members at the next General Meeting.

#### Trustees Induction and Training

All prospective Trustees are sent an information pack containing the Memorandum and Articles, Vision Mission & Values, Hospice of the Valleys Philosophy, last two Annual Reports, last audited accounts, Hospice of the Valleys – Trustee responsibilities, Charity Commission booklet CC3 – Responsibilities of Charity Trustees, Help the Hospice Trustee Induction Pack, and the latest Strategic/Business Plan.

#### Organisational Structure

The Hospice is managed by a council of trustees of between five and ten members who meet bi-monthly. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

#### Key Management and Employees Remuneration

Hospice of the Valleys recognises that it must ensure staff are rewarded appropriately for their work and dedication. It is also necessary to ensure competitive rates of pay and benefits are maintained to ensure retention and recruitment of the best calibre staff to deliver the Charity's objectives.

The Board has agreed a Hospice pay scale that encompasses all staff. This scale is based on the NHS Agenda for Change pay scale and is applied to all staff. The Board of Trustees approves an annual pay increase for all staff at its budget setting meeting in Feb/March each year. The level of pay is set on joining the Hospice. Movements within the scale and any increases are wholly subject to appraisal and related performance reports and are decided by the Chief Executive. The Chief Executive is appraised by the Chairman and remuneration agreed by the board. Whilst the Hospice seeks to maintain equivalence with prevailing nationally negotiated conditions of pay it cannot be bound by their agreements. Cost of living and other salary increases are discretionary and subject to funding constraints.

The Hospice is a Direction Employer under the NHS Pension scheme and qualifying staff are eligible to join this scheme on employment with the Hospice. For other staff the Hospice has a stakeholder pension scheme into which it contributes 5% of salary. All non-NHS pension staff are auto enrolled into this scheme on employment with the Hospice.

#### Risk Management

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

# **THE HOSPICE OF THE VALLEYS**

## **Objectives and Activities**

The principal activity of the company in the year under review was that of a hospice and specialist palliative care service.

The aims of its service are to benefit the public through the following objectives:

- To practice holistic Hospice care, addressing all the patient's needs, physical, spiritual, social and emotional.
- To support families so well that they are enabled to care for dying relatives at home to the end.
- To maximise patients' autonomy.
- To establish a model of Hospice care that is recognised locally, nationally and internationally as being of the highest standards. To teach about our methods.
- To care for patients from first diagnosis of a life-threatening illness through to cure or death. To support carers throughout this time, and in bereavement as long as necessary.

In order to achieve these aims the Hospice aims to be a Specialist Palliative Care Provider – Consultant led with a team of highly trained and skilled clinicians, social workers and other professionals. The Hospice has embarked upon a review of its clinical governance framework under the leadership of the consultant, which will ensure a robust evidence based delivery of appropriate care to the population of Blaenau Gwent.

The Hospice now benefits from the support of over 200 volunteers. A large proportion of these help us to fundraise by manning our six shops, driving our vans, and helping at fundraising events. Volunteers also help at our clinics as hostesses, welcoming new patients and providing refreshments.

The value of volunteer time is not quantified in terms of money, but the time contributed by volunteers is an invaluable resource in terms of the outstanding contribution made by them.

## **How our activities deliver public benefit**

The Trustees have had regard to Charity Commission guidance on public benefit. Our objects and funding limit the services we provide to those residents in Blaenau Gwent. We deliver public benefit via the following activities:

- Hospice of the Valleys provides community-based Specialist Palliative Care to the people of Blaenau Gwent who are suffering from a life limiting illness, their families and carers.
- We also provide a Hospice at Home service where patients can have Healthcare Assistants in their home during the night and in the day.
- Our staff work in collaboration with other Healthcare Professionals to ensure patients always receive appropriate, high quality care when needed.
- We always strive to ensure patients are cared for in their preferred place of care which may be their own home.
- People with a life-limiting illness can be referred to Hospice of the Valleys and access any of the services provided by the Charity.
- Services are provided free-of charge to patients and their families/carers.
- Hospice of the Valleys is at the heart of the Community providing employment, volunteering opportunities and many public events and activities.

# **THE HOSPICE OF THE VALLEYS**

## **Chairman's Summary**

Entering a new financial year naturally lends itself to reflection on the challenges and achievements of the previous year. This financial year also marks the end of our current 5-year strategy and offers an opportunity to look back at our goals and progress.

Although the worldwide pandemic has had an effect on our activities over the last two years, changes in the way health and social care have developed in recent years have had an impact on either delivering on our strategic goals or changing our priorities as an organisation. Increased costs and keeping pace with the Agenda for Change pay scale for staff has also placed some restrictions on the charity's ability to invest in some areas.

## **Our Strategic Objectives: Hospice of the Valleys Strategy 2017 - 2022**

- 1. Sustain and improve current levels of patient-focused and patient-centred care through all aspects of service provision and ongoing development.**

### **ACHIEVED (but ongoing)**

Services have been reviewed, new outcome measures introduced and the new strategy will build on the developments on patient-focused care that have been developed over the last 5 years.

- 2. Respond positively and flexibly to the specific needs of our patient population, extending the current levels of "24/7" care to include 7 day working for all services with access to outpatient, day centre and family support services extended to 8am – 8pm;**

### **PARTIALLY ACHIEVED:**

Due to cost constraints and the development of other 'out of hours' services this element of the strategy has not been fully achieved. Patients and families can access Hospice of the Valleys 24/7 and patient visits take place 7 days a week from 9am to 10pm. We have worked to ensuring that teams focus resources on the most vulnerable during working hours so that needs are addressed in a timely manner.

- 3. Respond positively to the changing case mix with reciprocal working agreements across a range of medical specialities e.g., Motor Neurone Disease (MND); cardiac; dementia; renal;**

### **PARTIALLY ACHIEVED:**

We have developed excellent working relations with Ysbyty Tri Chwm in jointly supporting patients living with dementia. Staff participate in Multi-Disciplinary Team Meetings at Nevil Hall Hospital, the MND Services as well as at local GP surgeries in order to offer a more holistic service to local families.

- 4. Extend the current hospice at home service to include the provision of "packages of care" and a rapid response team**

### **PARTIALLY ACHIEVED:**

Our team now provide a Hospital Admittance Avoidance Project (HAAP) funded by the local health board. This involves delivering more short-term packages of care to local families to prevent avoidable hospital admissions. We are in on-going discussions with local Social Services teams about other services we could be commissioned to provide as well as putting a proposal to the health board to manage the CHC fast-track budget for the local authority area.

- 5. Improve the range of specialist services available, including, increased medical cover; occupational therapy; physiotherapy; dietician and psychology**

### **PARTIALLY ACHIEVED:**

The option to access increased medical cover has not been possible due to financial constraints. We have found that a duplication of occupational health and dietician roles would not be cost-effective when staff are able to easily refer into statutory services.

## **THE HOSPICE OF THE VALLEYS**

We now have a hospice employed Specialist Palliative Care Physiotherapist in the organisation and as part of the charity's Leadership Team.

- 6. Support the increasing need for local access to transitional care, helping to bridge the gap between paediatric palliative care and adult services.**

### **ACHIEVED:**

We have played an active role in a consortium looking at the needs of patients transitioning between the paediatric palliative care and adult services.

- 7. Build services that take account of potential changes in local population demographics as a result of planned regeneration and ensure equity of access for all**

### **ACHIEVED:**

Data from Welsh Health Maps and other local health and demographic data show that on average Hospice of the Valleys and is supporting the majority of patients with a terminal diagnosis and needing specialist care. Our annual caseload is now showing an equal split between cancer and non-cancer patients. Around 50% of local residents who die each year in Blaenau Gwent access some services provided by Hospice of the Valleys.

- 8. Be recognised for research-based service development, acting as an expert resource and training centre in specialist palliative care**

### **PARTIALLY ACHIEVED**

Hospice of the Valleys has increased the number of palliative care training courses that have been made available to other healthcare professional. These have been delivered both in person and online. We have participated in a number of national and international research studies. Our reviews of current service provision have been rooted in best practice and current research, though this work need to be ongoing.

- 9. Function as a "community resource", well known and actively supported throughout Blaenau Gwent; recognised for a professional approach in all clinical and non-clinical aspects of the service and recognised as being fully supportive of patients, families, staff and volunteers.**

### **PARTIALLY ACHIEVED:**

This is a hard metric to measure. Our referral numbers go up year on year and when compared to data in the recent Nuffield/ Hospice UK report on hospice palliative care provision, our number of self-referrals is significantly higher than the average. It could be argued that this level of self-referral is an indication of the trust and awareness the local population have in our services.

Income from fundraising activities continues to increase, even during the periods of lockdown. Also, donations and income generated by our shops has increased throughout the last 5 years, excluding periods when shops were shut during lockdown periods. This reflects the ongoing support we receive from local communities.

Staff at all levels have been invited onto a number of external work groups, steering groups and boards to help determine and deliver better outcomes for local residents.

Our services and our colleagues have been selected to win a number of significant local, national and international awards over the period of the current strategy.

## **THE HOSPICE OF THE VALLEYS**

- 10. Build strong partnerships with Aneurin Bevan University Health Board and other health and social care organisations; working to develop integrated models of hospice palliative and end-of-life care that reflect national priorities and best practice, achieving recognition for the “added value” offered by independent hospices.**

### **ACHIEVED (but ongoing):**

Staff have Honorary Contracts with the health board and are able to follow patients into hospital, we have an Advanced Nurse Practitioner based within the local community hospital, Ysbyty Aneurin Bevan.

We have been involved in new funded projects with the health board. We were part of a consortium which delivered Flexible Dementia Respite care across Gwent. As highlighted above we are now in the second year of the Hospital Admittance Avoidance Project (HAAP) supporting local residents to stay at home rather than be admitted to hospital. During the initial period of the pandemic, we received funding from Welsh Government to offer bereavement services to all residents of Blaenau Gwent and Merthyr Tydfil. This was to help with the psychological issues around people dying without relatives around them during lock-downs, and to help prevent more serious long-term trauma from the experience.

We continue to work with multiple local authorities in delivering palliative care training to social care workers.

### **Plans for Future Periods**

Staff, trustees, patients, families and external stakeholders have been involved in developing a new 3-year strategy for the hospice.

This work builds on our strengths but recognises the need to adapt to growing demand for our services and a patient cohort with more complex needs. It also recognises the need to integrate better with the wider health and social care community to ensure the best outcomes for the families we work with.

The headings below are our key strategic goals. These are overarching but have a number of key deliverables underneath to ensure that the goals can be achieved.

We will give an update on our progress with the Year 1 objectives in next year’s accounts.

1. Provide holistic palliative care expertise in places where people are cared for: at home, in hospitals and in care homes.
2. Make joined up care a reality.
3. Empower patients and carers to have greater choice and control over the things that are important to them.
4. Provide our staff, other healthcare professionals and carers with high-quality training.
5. Use evidence-based decision making to embed a system of continuous learning and improvement.
6. Deliver a sustainable business model to ensure we are effective in meeting the demands on our services.
7. Engage in research into palliative care.

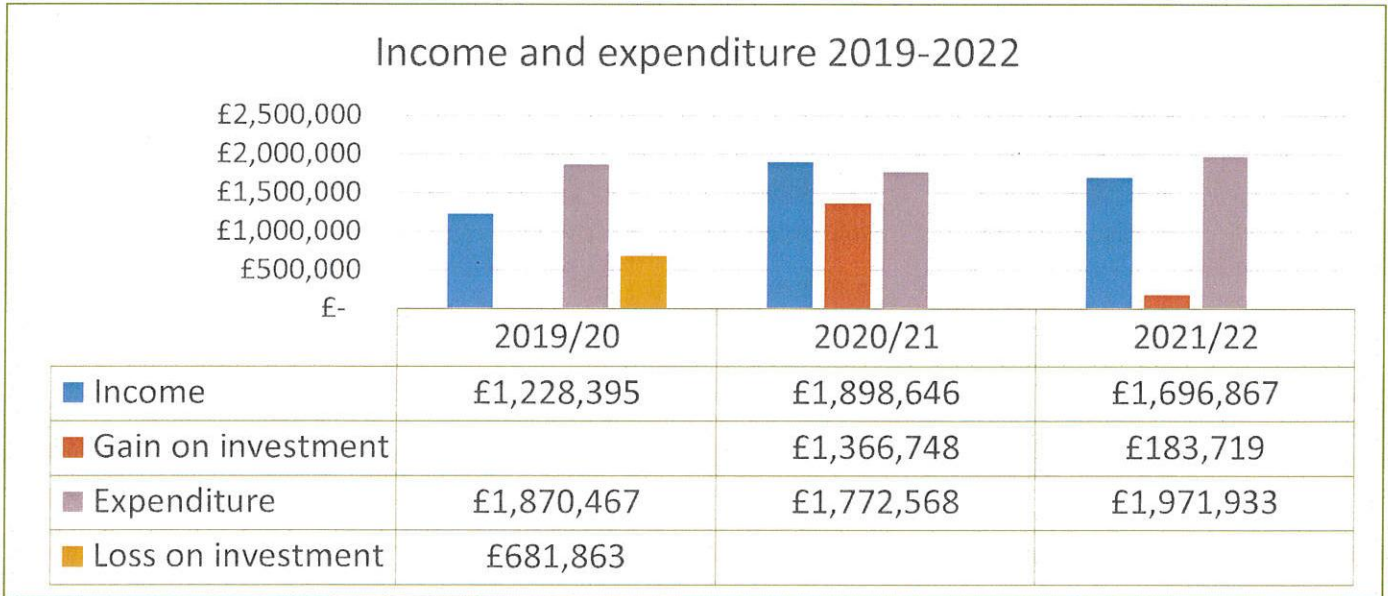
**Miss Susan Kent MBE**  
**Chairman**

# THE HOSPICE OF THE VALLEYS

## Financial Review

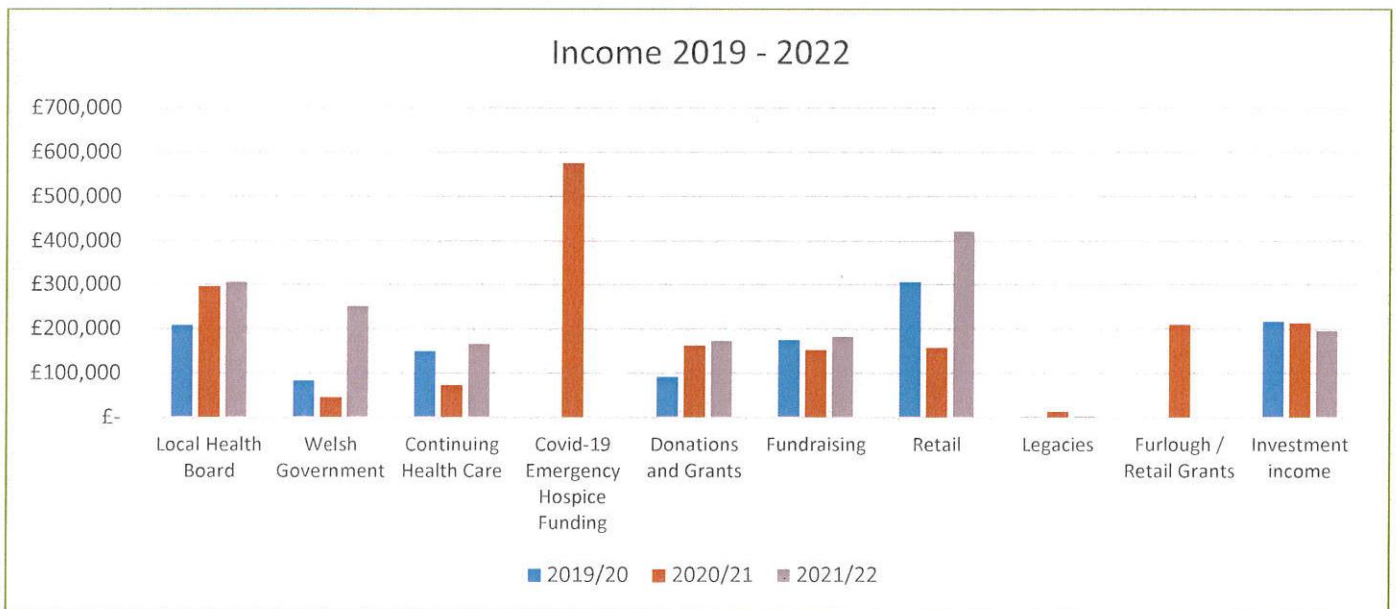
The year began surrounded by much uncertainty, as the world started to emerge from the Covid era. The hospice had benefitted from additional one-off funding made available to the charity of nearly £800k in the previous year, but government support for business and public services was now set to wind down considerably. This funding had been a lifeline to cover the cost of maintaining essential front line hospice services and the loss of retail and other direct Income Generation activities during the lockdown periods. The investment also continued to recover from the effects of the pandemic and showed only a modest drop in overall value by the end of the year.

### Income and expenditure



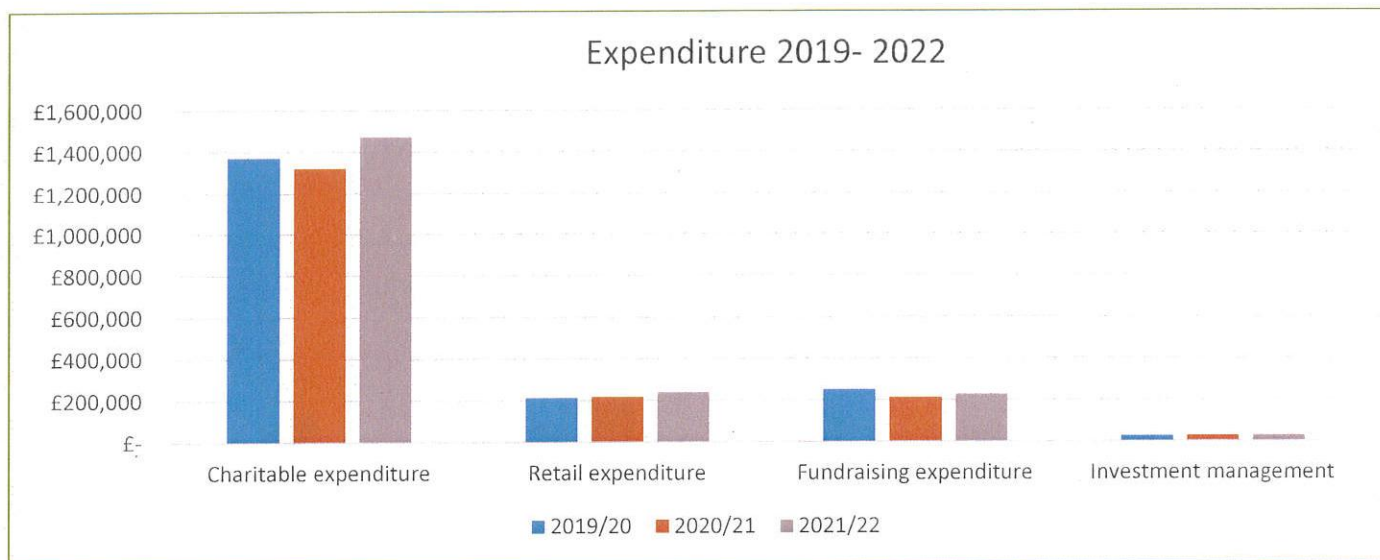
Income in 2020/21 was £670,251 higher than the previous year largely due to the one-off grants awarded in relation to Covid. The full reopening of our retail outlets and opportunities for staging income generating events, as well as a reemphasis on newly funded service delivery, helped the hospice to maintain a good level of income throughout the year – these activities are set to continue and develop in 2022/23 and beyond.

A summary of income received over the last three years:



## THE HOSPICE OF THE VALLEYS

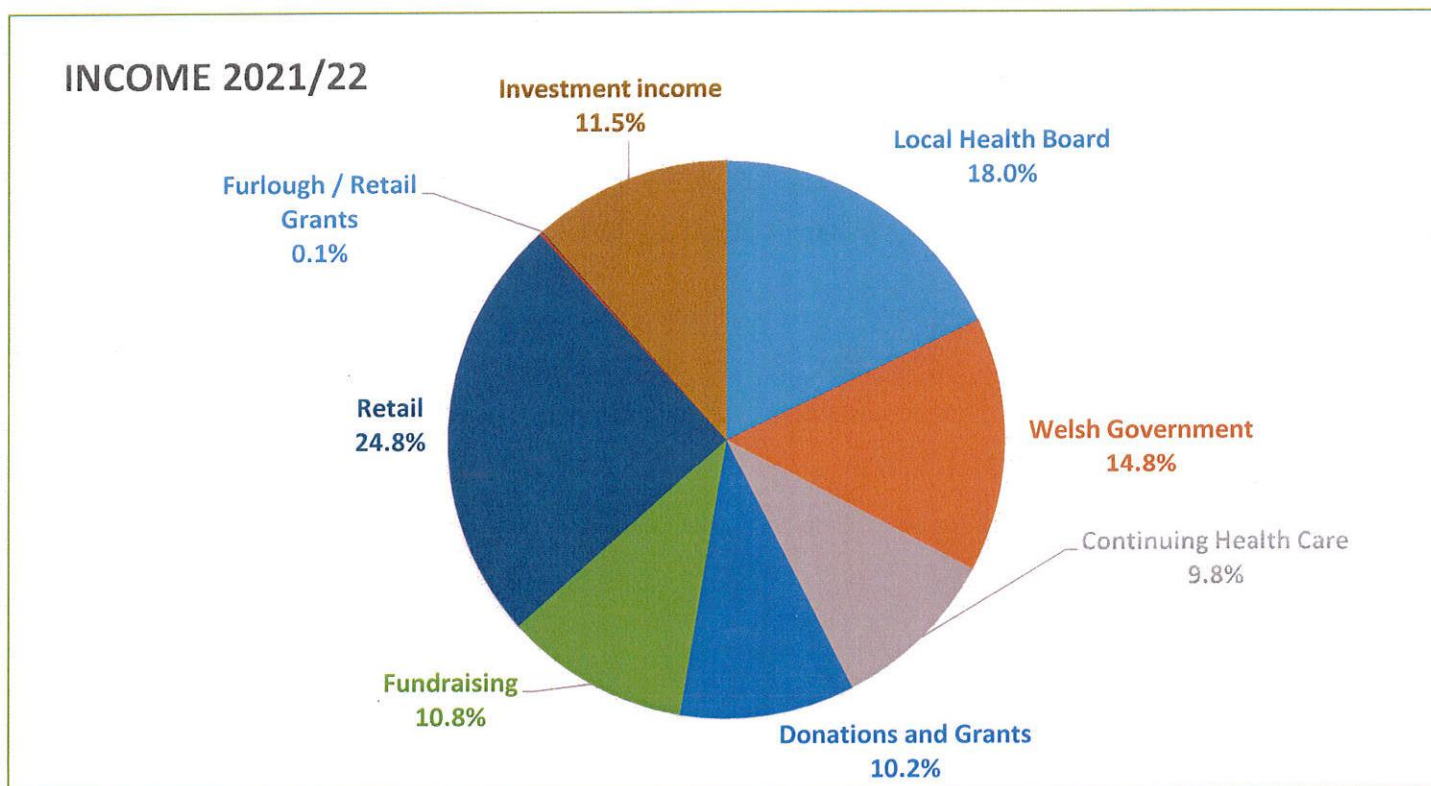
By far the greatest expenditure has been on delivering Hospice Care to the population of Blaenau Gwent and in 2021/22 we spent £1.475m (2020/21: £1.320m) which has accounted for 75% of our expenditure (2020/21: 75%).



Demand on our service continues to grow, and costs will continue to increase against a backdrop of market, political and government forces that affect both the ability of the hospice to secure targeted government / public funding and also navigate the uncertainty around raising income from its local communities. The new three-year strategy 2022-25 is designed to address such concerns.

After transfers between funds, unrestricted reserves now stand at £379,153 restricted reserves at £7,109,960.

### Principal Funding Sources

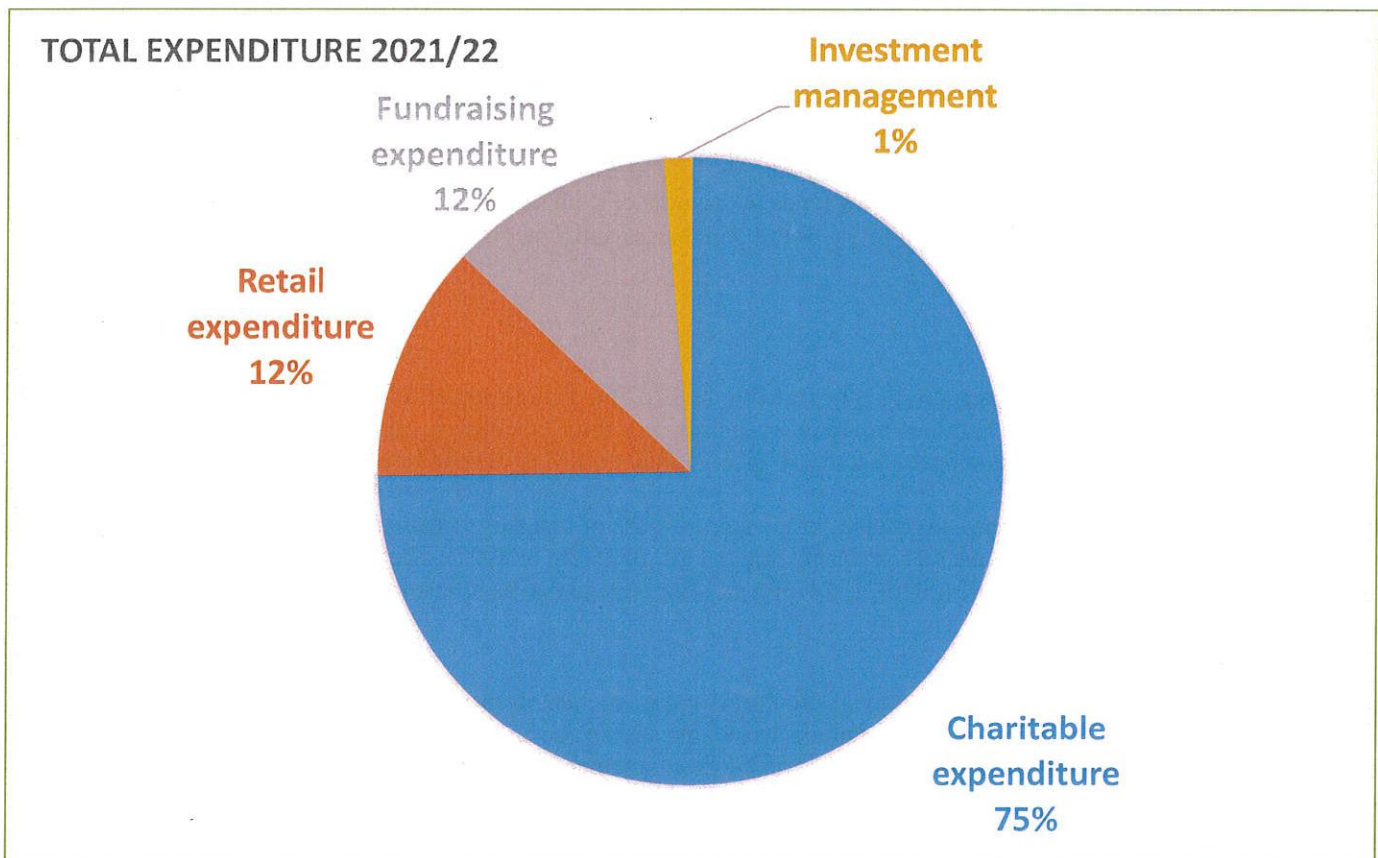


## THE HOSPICE OF THE VALLEYS

The principal funding sources for the last 3 financial years can be seen below:

<b>Income split</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Local Health Board	207796	295765	305,003
Welsh Government	82595	45404	250,511
Continuing Health Care	148908	73042	165,516
Covid-19 Emergency Hospice Funding		575721	
Donations and Grants	91168	162896	172,556
Fundraising	173890	152258	182,434
Retail	304852	157359	421,261
Legacies	2700	14000	3,500
Furlough / Retail Grants		209278	909
Investment income	216486	212923	195,177
<b>Total</b>	<b>1,228,395</b>	<b>1,898,646</b>	<b>1,696,867</b>

Income generation contributed to 58% of total income (2020/21: 47.8%). This includes Legacies at 0.2% (2020/21: 0.7%) and Investment Income of 12% (2020/21: 11.2%). Local Health Board, Welsh Government and Continuing Health Care services income contribute towards 42% (2020/21: 52.1%) of total income.



£1,474,651 relates to Charitable activities and is analysed further in note 7 to the accounts.

## THE HOSPICE OF THE VALLEYS

### Reserves Policy

Hospice of the Valleys provides palliative care to the population of Blaenau Gwent. It is a core service provider on behalf of the Aneurin Bevan University Health Board and delivers the only Community Specialist Palliative care service in the borough. By any standards, the provision of health care is an expensive business and the Hospice is not immune from the high costs associated with employing specialist healthcare professionals to deliver the service.

The demographics of the borough of Blaenau Gwent are such that it is widely recognised as being one of the poorest areas in Wales and the UK. This can be measured in terms of income, unemployment rates, home and car ownership and morbidity rates. In considering the need for reserves the Hospice takes the position that its clinical service is essential to this population. Sufficient funds should be available to ensure continued delivery of this service for between 9- and 12-months during periods when volatile income falls below predicted levels.

Normally a reserve of six months would be considered acceptable for a charity. However, the essential nature and high cost of our service to the population, together with possible difficulties fundraising locally in such a deprived area, indicate a responsibility to extend our capacity beyond a six-month period.

### Reserves Statement

Reserves will be maintained at levels sufficient to maintain services for between 9 and 12 months in accordance with the following procedure:

- The Head of Finance will present a financial report in accordance with the Hospice financial reporting policy at each Trustees meeting. Reports will include income and expenditure forecasts and financial risk assessments and the impact of these on the level of reserves.
- At each Trustees meeting the level of reserves will be reviewed in accordance with the above, taking into account and changes in service, income and costs incurred by the organisation.
- In the event of a surplus in reserve funds, the Chief Executive and Head of Finance will decide to move funds as appropriate in order to maximise interest from any surplus. The level of surplus will be reported to the Board of Trustees who will arrange for the disposal of the surplus funds in accordance with the objects of the Hospice.
- A deficit in reserve funds will be reported to the Board of Trustees and a recovery plan will be presented by the Chief Executive for discussion.

### Required Level of Reserves

In 2022/23 the level of unrestricted expenditure is expected to be £2.25m. This covers all functions of the Hospice including the Clinical Service, Administration and Fundraising. In order to provide a fully functioning organisation, assuming that no income is received for twelve months, it is anticipated that a cash reserve fund equalling expenditure each year is maintained.

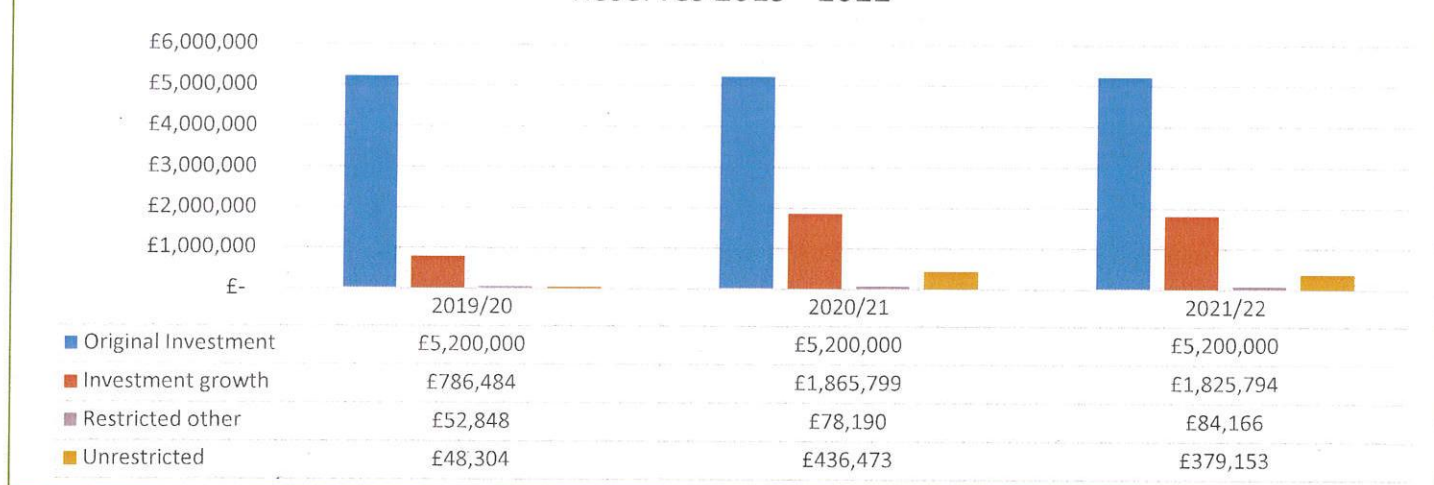
However, our investment portfolio was constructed for the sole purpose of realising a regular cash income to help meet the running costs of the Hospice. (This is the reason for the original gift of £5.2m in 2007). The cash withdrawn from our investment portfolio in 2022 was £390K (2020/21: £475K) and can be regarded as robust and within the parameters of our reserves policy.

A cash-flow contingency fund is also required to ensure the Hospice can meet its monthly obligations in terms of wages, pensions and PAYE should any short-term interruptions to income streams occur. A two month contingency fund would be sufficient to give Hospice managers time to investigate and correct any income problems. A two-month contingency fund would need to be £380K.

It is difficult to imagine under what circumstances the organisation would be required to close down. However, should this occur there would be financial obligations that would need to be honoured such as statutory redundancy pay and creditors due. It is anticipated that winding-up costs will amount to a minimum £152K of statutory redundancy pay and creditors obligations to the Hospice of £148K.

## THE HOSPICE OF THE VALLEYS

Reserves 2019 - 2022



The Hospice manages creditors efficiently and strives to pay all invoices before the due date, especially for local suppliers. This means that the amount of cash owing is maintained at the lowest possible level. Most day-to-day invoices are for “hundreds” rather than “thousands” of pounds. At the year end, trade creditors due within 12 months amounted to £68K.

The Board of Trustees considers the Hospice Finances at its Bi-monthly meetings which include an updated Forecast to the end of the Financial Year, an updated cashflow and risk management. The Head of Finance prepares a 12 month rolling forecast to allow the board of trustees to consider the main risks to the charity and to allow adequate time to plan for the future of the hospice.

At the end of March 2022 cash reserves stood at £425,821.

The requirement of 9 months running costs of £1.69m and the “cash-flow” contingency reserve of £380K (£2.07m in total), means there is a cash reserves deficit of £1.65m.

However, our investment manager advises that the entire portfolio could possibly be liquidated within two weeks with a total value as at 31st March 2022 of £7,025,794. More immediately, the Treasury stocks, with a value of £567,258, could be realised in 24 hours. All of these are of course subject to the market state, but under normal circumstances the above can be taken as a good guide.

### Investment Powers and Policy

Under the memorandum and articles of association, the Charity has the power to invest monies not immediately required for its purpose in or upon such investments, securities, or property as may be thought fit. It is the policy of the Hospice to obtain maximum earnings from interest rates whilst maintaining a suitable level of liquidity of funds that will enable it to comply with the reserves policy. The Hospice will comply with this by holding cash accounts with no more than 12 months access to funds. Longer-term investments will not meet the needs of the organisation.

The Hospice has a moderate risk investment strategy with the aim of generating an attractive income to support the patients and carers of the Hospice and to grow the capital above inflation to protect the purchasing power of the savings over the longer term. If urgent funds were required from the portfolio there is currently £567,258 in cash and secure government bonds, capital which could be returned to the Hospice within 1 day.

### Performance

For the financial year to 31<sup>st</sup> March 2022, the below highlights the performance data for the Charity.

Value as at 31<sup>st</sup> March 2022: **£7,025,794**

## **THE HOSPICE OF THE VALLEYS**

	<b>Portfolio</b>	<b>MSCI Income Index</b>	<b>FTSE All Share</b>
1 year	4.46%	6.08%	13.03%
3 years	23.21%	17.98%	16.79%
5 years	33.91%	27.74%	25.77%

All performance figures are quoted net of fees.

### **Market Commentary**

We moved into the financial year beginning 1<sup>st</sup> April 2021 with plenty of uncertainties at the forefront of investors' minds. COVID pandemic worries had caused global markets to collapse; the FTSE 100 had previously fallen 34.6% from peak to trough. The diversification of the portfolio, through asset class, geography and sector, combined with the high-quality nature of the businesses we invest in meant the maximum drawdown of the portfolio was 6.47%.

Whilst concern continued to surround COVID, the financial soundness of businesses was quickly reinforced by central bank liquidity, when COVID was thought to be over the market reacted by selling off shares in companies which had been deemed beneficiaries of lockdowns which pushed markets lower at the start of the calendar year. There had been concern over dividend payment, indeed some companies did stop or cut their payments, but these have in the most part been restored. The invasion of Ukraine in February was the unexpected shock for the markets and is now the main concern.

The invasion of the Ukraine caused a significant increase in the price of power, which is linked to the gas price, gas which was being supplied by Russia to continental Europe, the price of oil also nearly doubled. The continuing embargo on Russia will continue to affect power prices. Whilst the war continues, we expect the market to remain volatile with inflation remaining higher for longer and the possibility of further interest rate rises.

Looking to the next 12 months, the emphasis will remain on the Ukraine war, Inflation, and interest rates. We remain positive on markets as many stocks do now seem to be significantly undervalued and with interest rates rising traditional short-term bonds are now providing redemption yields in the region of 6%. Unemployment is low; indeed, it seems from statistics that there are more jobs available than job seekers which will lead to increases in wages and increased incomes, which should help with fuel prices. We will keep a close eye on inflation; however, we believe it will remain high for some time before reverting to lower levels. We do have some protection from inflation in the portfolio through index linked government stocks.

Since 31<sup>st</sup> March the value of the portfolio has fallen, but the forecast income has risen to a yield of 3.82% which we believe means that the charity should be able to maintain its income flow from the investments.

### **Responsibilities of the Trustees**

The trustees (who are also directors of Hospice of the Valley for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the management committee are required to prepare financial statements for each financial year. Under company law the management committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these statements, the committee are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and 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 assume that the company will continue on that basis.

**THE HOSPICE OF THE VALLEYS**

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

Insofar as each of the committee of management of the charity at the date of approval of this report is aware there is no such relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

**Auditor**

The auditors, Baker Knogle Chartered Accountants, were re-appointed as the charitable company's auditors during the year.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities FRS102, Charities Act 2011 and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the council of management on 15/11/22 and signed on their behalf by



(Signed)



(Signed)



(Name)

MATHEW MORRIS-PARKER

(Name)

# **THE HOSPICE OF THE VALLEYS**

## **Independent Auditor's Report to the Trustees of Hospice of the Valleys**

### **Opinion**

We have audited the financial statements of The Hospice of the Valleys (the 'charitable company') for the year ended 31<sup>st</sup> March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31<sup>st</sup> March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **THE HOSPICE OF THE VALLEYS**

### **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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Officers and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related trade union legislation) and taxation regulation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the Officers.

## THE HOSPICE OF THE VALLEYS

- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement on the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **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.



Huw Baker FCA (Senior Statutory Auditor)  
for and on behalf of Baker Knoye Accountancy Limited  
Chartered Accountants & Statutory Auditors  
Orbit Business Centre  
Merthyr Tydfil  
CF48 1DL

Date: .....15/11/22.....

# THE HOSPICE OF THE VALLEYS

## Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31<sup>st</sup> March 2022

	NOTES	UNRESTRICTED FUNDS £	RESTRICTED FUNDS £	DESIGNATED FUNDS £	31/03/22 TOTAL FUNDS £	31/03/21 TOTAL FUNDS £
<b>Income from:</b>						
Donations and Legacies	3	119,443	56,613	-	176,056	176,896
<b>Charitable activities:</b>						
Local Health Board service level agreement		-	295,765	-	295,765	295,765
Welsh Government Covid-19 Emergency Funding		213,014	37,497	-	250,511	45,404
Aneurin Bevan University Health Board		-	-	-	-	575,721
		-	174,754	-	174,754	73,042
<b>Other trading activities:</b>						
Shop and merchandise sales		421,261	-	-	421,261	157,359
Fundraising		180,089	2,345	-	182,434	152,258
Investments	4	33	195,144	-	195,177	212,923
Other	5	909	-	-	909	209,278
<b>Total Income</b>		<u>934,749</u>	<u>762,118</u>	<u>-</u>	<u>1,696,867</u>	<u>1,898,646</u>
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Shops and merchandise		240,561	-	-	240,561	216,149
Fundraising		225,416	2,438	-	227,854	210,980
Investment management	6	-	28,867	-	28,867	25,307
<b>Charitable activities</b>	7	<u>916,091</u>	<u>558,560</u>	<u>-</u>	<u>1,474,651</u>	<u>1,320,132</u>
<b>Total Expenditure</b>		<u>1,382,068</u>	<u>589,865</u>	<u>-</u>	<u>1,971,933</u>	<u>1,772,568</u>
Gains/ (losses) on investments		-	183,719	-	183,719	1,366,748
<b>Net Income / (Expenditure)</b>		(447,319)	172,253	-	(275,066)	126,078
Transfers between funds	19	390,000	(390,000)	-	-	-
<b>Net movement in funds for the year</b>		<u>(57,319)</u>	<u>(34,028)</u>	<u>-</u>	<u>(91,347)</u>	<u>1,492,826</u>
<b>Reconciliation of funds:</b>						
Balances brought forward		436,473	7,143,989	-	7,580,462	6,087,636
Balances carried forward at 31 <sup>st</sup> March 2022	20	<u>379,154</u>	<u>7,109,961</u>	<u>-</u>	<u>7,489,115</u>	<u>7,580,462</u>

The notes on pages 20 to 30 form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.

# THE HOSPICE OF THE VALLEYS


## Balance sheet

As at 31<sup>st</sup> March 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		127		1,656
Tangible assets	11		26,638		49,409
Investments	12		7,025,794		7,065,799
			<u>7,052,559</u>		<u>7,116,864</u>
<b>Current assets</b>					
Stocks	13	679		833	
Debtors	14	172,698		426,551	
Cash at bank and in hand		424,108		230,746	
Investment short term deposits		1,713		1,713	
		<u>599,198</u>		<u>659,843</u>	
<b>Liabilities:</b>					
<b>Creditors: amounts falling due within one year</b>	15	(162,642)		(194,455)	
		<u></u>		<u></u>	
<b>Net Current assets</b>			436,556		465,388
<b>Total assets less current liabilities</b>			<u>7,489,115</u>		<u>7,582,252</u>
<b>Creditors: amounts falling due after more than one year</b>	16		0		(1,790)
			<u></u>		<u></u>
<b>Total net assets</b>			<u>7,489,115</u>		<u>7,580,462</u>
<b>The funds of the charity</b>					
Unrestricted funds	17		379,154		436,473
Designated funds	18		-		-
Restricted funds	17		7,109,961		7,143,989
			<u>7,489,115</u>		<u>7,580,462</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the council of trustees on 15/11/22 and signed on its behalf by:

  
.....  
(Signed)

  
.....  
(Signed)

S V KEOT  
.....  
(Name)

MATHEW MORRIS-PARKER  
.....  
(Name)

Companies House Registered Number 2007005

## THE HOSPICE OF THE VALLEYS

### Statement of Cash Flows for the year ended 31<sup>st</sup> March 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash (used in) operating activities	26	<u>(194,722)</u>	<u>(278,284)</u>
<b>Cash flows from investing activities</b>			
Interest from investments		33	49
Purchase of tangible/intangible fixed assets		(1,949)	(25,681)
Transfers from investments		390,000	475,000
Proceeds from disposal of fixed assets		-	-
<b>Net cash provided by investing Activities</b>		<u>388,084</u>	<u>449,368</u>
<b>Increase (decrease) in cash and cash equivalents in the year</b>		<b>193,362</b>	<b>171,084</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>232,459</u>	<u>61,375</u>
<b>Total cash and cash equivalents at the end of the year</b>		<u><u>425,821</u></u>	<u><u>232,459</u></u>

# **THE HOSPICE OF THE VALLEYS**

## **Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2022**

### **1. Charity information**

The Hospice of the Valleys was incorporated in England and Wales as a company limited by guarantee with Companies House (registered number 2007005) and has no share capital. The Hospice of the Valleys was also registered with the Charity Commission (registered number 517724). The address of the registered office is Festival Drive, Ebbw Vale, Gwent, NP23 8XF.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

### **2. Accounting policies**

#### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The incorporated charity is registered in England and Wales.

#### **Going concern**

The charity produces annual budgets and forecasts which take into account expected changes in the funding streams and which demonstrate that the charity will be able to continue to operate. Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and are not aware of any material uncertainties regarding this assumption. On this basis, the trustees consider it appropriate to continue to prepare the financial statements on the going concern basis.

#### **Income**

All income is included in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The following specific policies are applied:

#### **Voluntary Income**

Voluntary income is income received by way of grants, gifts or donation. These are included in full on receipt unless it is subject to a condition when it is treated as deferred income.

#### **Gifts in Kind**

The value of services provided by volunteers is not quantified.

#### **Deferred Income**

Income or grants received in advance are held as deferred income and carried forward to future accounting periods to be released when the defined purpose of the work or project have been completed, approved or certified.

#### **Investment Income**

Investment income is included when receivable.

#### **Trading Income**

Trading income is recognised when earned.

## **THE HOSPICE OF THE VALLEYS**

### **Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2022**

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

#### **Costs of Generating Funds**

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops.

#### **Charitable Expenditure**

Charitable expenditure comprises those costs incurred by the charity in delivery of its activities and service for its beneficiaries. It includes the costs that can be attributed directly to those activities and those costs of an indirect nature necessary to support them.

#### **Governance Costs**

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

#### **Investments**

Listed fixed asset investments are included at fair value (quoted market price in an active market). All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

#### **Fund Accounting**

- Restricted funds are to be used for specific purposes laid down by the donor. Expenditure which meets these criteria is allocated against the fund.
- Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes and are expendable at the discretion of the trustees in furtherance of the objects and administration of the charity.
- Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

#### **Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are charitable objects

#### **Operating leases**

Rentals applicable to operating leases where substantially all the risks and benefits of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

#### **Financial instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised as transaction value and subsequently measured at their settlement value.

## **THE HOSPICE OF THE VALLEYS**

### **Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2022**

#### **Intangible fixed assets**

Software has been capitalised and amortised over its useful life of 5 years.

#### **Tangible fixed assets**

Fixed assets (excluding investments) are included at cost less an appropriate provision for depreciation. Items donated or purchased for a cost of less than £500 are not capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office Equipment	-	20% on cost
IT Equipment	-	33% on cost
Clinical Equipment	-	20% on cost
Shop Fixtures	-	20% on cost
Motor Vehicles	-	25% on reducing balance
Day Centre	-	20% on cost
Property Improvements	-	Over period of lease

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Donated stock held at charity shops is not valued.

#### **Interest receivable**

Interest on funds held on deposit is included when receivable, and the amount can be measured reliably by the charity.

#### **Cash at bank and in hand**

Cash at bank and cash in hand includes current and short-term liquid deposit accounts with a short maturity.

#### **Debtors**

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

#### **Creditors**

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

#### **Pensions**

The charity contributes to a defined benefit scheme operated by the NHS. The charity also contributed to some employees' personal pension schemes.

The NHS scheme is a defined benefit scheme which is unfunded. This is a multi-employer pension scheme based on final pensionable pay, contributions being charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company. The charity accounts for the scheme as a defined contribution scheme and is not required to account for any of the assets or liabilities of the scheme in accordance with FRS102.

# THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2022

## 3. Donations and Legacies

	Unrestricted	Restricted	Designated	2022 Total	2021 Total
	£	£	£	£	£
Charitable Trusts	34,500	38,329	-	72,829	86,652
Voluntary Donations	80,018	-	-	80,018	63,941
Miscellaneous	1,425	18,284	-	19,709	12,303
Legacies	3,500	-	-	3,500	14,000
	<u>119,443</u>	<u>56,613</u>	<u>-</u>	<u>176,056</u>	<u>176,896</u>

## 4. Investment Income

	2022 £	2021 £
Dividends – UK equities	195,144	185,701
Interest on cash deposits within investment portfolio	-	-
Interest on fixed interest securities	-	27,173
Interest on current accounts	33	49
	<u>195,177</u>	<u>212,923</u>

## 5. Other Income

	2022 £	2021 £
Furlough	909	48,782
Retail grants	-	160,496
	<u>909</u>	<u>209,278</u>

## 6. Investment Management Costs

	2022 £	2021 £
Investment management fees	28,867	25,307
	<u>28,867</u>	<u>25,307</u>

## 7. Analysis of Charitable Expenditure

	Notes	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Clinical salaries and pensions		489,732	540,995	1,030,727	759,135
Social worker salaries and expenses		1,645	-	1,645	168,860
Drugs and clinical supplies		175	-	175	47
Clinic rent		-	-	-	-
Motor expenses		18,791	-	18,791	17,920
Clinic food and other costs		274	1,330	1,604	421
Clinical equipment maintenance		1,032	630	1,662	1,411
Telephone costs		6,011	225	6,236	3,975
Training		6,375	1,500	7,875	5,943
Recruitment		-	-	-	140
Clinical equipment depreciation		37	-	37	37
Equipment loss on disposal		-	-	-	-
Miscellaneous		17	1,305	1,322	5,403
Support costs	7	309,545	9,931	319,476	281,021
Governance		82,456	2,645	85,101	75,821
		<u>916,090</u>	<u>558,561</u>	<u>1,474,651</u>	<u>1,320,133</u>

# THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2022

## 8. Resources Expended – Allocation of Support Costs

Support costs allocated to activities	Basis of Allocation	Fund Raising £	Charitable Activities £	Governance £	2022 Total £	2021 Total £
General office and finance staff	Salary costs	44,572	181,614	48,378	274,564	250,331
Premises	Salary costs	12,650	51,543	13,730	77,923	73,848
Insurance	Salary costs	2,128	8,672	2,310	13,110	10,608
Communications	Salary costs	7,758	31,611	8,420	47,789	51,351
Legal & Professional	Salary costs	4,890	19,925	5,308	30,122	29,511
Depreciation	Salary costs	3,721	15,164	4,039	22,925	19,180
Motor Expenses	Salary costs	509	2,073	552	3,134	1,916
Miscellaneous	Salary costs	2,178	8,874	2,364	13,416	7,109
Irrecoverable vat	Salary costs	-	-	-	-	(21,375)
		<u>78,406</u>	<u>319,476</u>	<u>85,101</u>	<u>482,983</u>	<u>422,479</u>

## 9. Net income/(expenditure) for the year

This is stated after charging:

	2022 £	2021 £
Depreciation – owned assets	10,590	9,845
Depreciation – assets on finance	8,749	11,384
Amortisation	1,529	1,529
Auditor's remuneration	3,600	4,356
Accountants fees for other services	<u>777</u>	<u>4,984</u>

## 10. Intangible Fixed Assets

	Software £	Total £
<b>COST:</b>		
As at 1st April 2021	7,645	7,645
Additions	-	-
Disposals	-	-
As at 31st March 2022	<u>7,645</u>	<u>7,645</u>
<b>DEPRECIATION</b>		
As at 1st April 2021	5,989	5,989
Charge for year	1,529	1,529
Eliminated on disposal	-	-
As at 31st March 2022	<u>7,518</u>	<u>7,518</u>
<b>NET BOOK VALUE</b>		
As at 31 <sup>st</sup> March 2022	<u>127</u>	<u>127</u>
As at 31 <sup>st</sup> March 2021	<u>1,656</u>	<u>1,656</u>

# THE HOSPICE OF THE VALLEYS

## Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2022

### 11. Tangible Fixed Assets

	Office Equipment	Clinical Equipment	Shop Fixtures & Fittings	Motor Vehicles	Day Centre	Property Improvements	Total
	£	£	£	£	£	£	£
<b>COST:</b>							
As at 1st April 2021	91,582	3,025	1,863	26,582	12,528	89,007	224,587
Additions	1,949	-	-	-	-	-	1,949
Disposals	(5,382)	-	-	-	-	-	(5,382)
As at 31st March 2022	88,149	3,025	1,863	26,582	12,528	89,007	221,154
<b>DEPRECIATION</b>							
As at 1st April 2021	52,673	3,025	1,863	16,196	12,414	89,007	175,178
Charge for year	21,395	-	-	2,596	37	-	24,028
Eliminated on disposal	(4,690)	-	-	-	-	-	(4,690)
As at 31st March 2022	69,378	3,025	1,863	18,792	12,451	89,007	194,516
<b>NET BOOK VALUE</b>							
As at 31 <sup>st</sup> March 2022	18,771	-	-	7,790	77	-	26,638
As at 31 <sup>st</sup> March 2021	38,909	-	-	10,386	114	-	49,409

The net book value at 31<sup>st</sup> March 2022 represents tangible fixed assets used for:

	Office Equipment	Clinical Equipment	Shop Fixtures & Fittings	Motor Vehicles	Day Centre	Property Improvements
	£	£	£	£	£	£
<b>DIRECT CHARITABLE PURPOSES</b>						
Community Services	5,353	-	-	3,052	77	-
Other Purposes						
Administration office	13,418	-	-	-	-	-
Fundraising	-	-	-	4,738	-	-
	18,771	-	-	7,790	77	-

	2022 £	2021 £
<b>12. Investments (including cash deposits)</b>		
Market value as at 1 <sup>st</sup> April 2021	7,065,799	5,986,484
Disposals at carrying value (transfers to income)	(390,000)	(475,000)
Investment income	195,144	212,874
Investment costs charged and accrued	(28,867)	(25,307)
Net (loss)/gain on revaluation	182,041	1,293,053
Net (loss)/gain on disposals	1,677	73,695
Market value as at 31 <sup>st</sup> March 2022	7,025,794	7,065,799

## **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2022

### **12. Investments (including cash deposits) continued**

Investments at market value comprised of:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
UK equities	2,705,412	2,577,905
Overseas equities	1,749,333	1,880,005
Cash deposits	30,084	262,912
UK fixed interest securities	1,415,426	1,483,697
Overseas fixed interest	-	-
Alternatives	1,123,982	858,013
	<u>7,024,237</u>	<u>7,062,532</u>
Income held in bank accounts	1,557	3,267
	<u>7,025,794</u>	<u>7,065,799</u>

### **13. Stocks**

Merchandise for resale

<b>2022</b>	<b>2021</b>
<b>£</b>	<b>£</b>
<u>679</u>	<u>833</u>

### **14. Debtors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade Debtors	11,886	6,468
Other debtors	12,878	12,676
Prepayments and Accrued Income	147,934	407,407
	<u>172,698</u>	<u>426,551</u>

### **15. Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	17,342	17,170
Accrued expenses	63,681	86,484
Deferred income	31,343	60,709
Other creditors	50,276	30,092
	<u>162,642</u>	<u>194,455</u>

### **Deferred income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Opening balance	60,709	7,500
Movement in period	(29,366)	53,209
	<u>31,343</u>	<u>60,709</u>

Deferred income represents income received from contributing agencies where the contribution was restricted to a fixed time period that extends beyond the current financial year. Income is deferred on the basis that the contribution was to the project as a whole, the time period of the project was fully disclosed to the contributing agencies and that time period is certain.

# THE HOSPICE OF THE VALLEYS

## Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2022

### Deferred income continued

The deferred income carried forward is analysed as follows:

	2022 £	2021 £
Aneurin Bevan University Health Board	3,755	26,357
Welsh Government	20,741	32,996
Other	6,847	1,356
	31,343	60,709

### 16. Creditors: amounts falling due after one year

	2022 £	2021 £
Other creditors	-	1,790
	-	1,790

### 17. Movements in funds

	At 01/04/21 £	Income (including gains) £	Expenditure (including losses) £	Net Transfers £	At 31/03/22 £
<b>Restricted funds</b>					
Robin Judah investment portfolio	7,065,799	378,862	(28,867)	(390,000)	7,025,794
Aneurin Bevan University Health Board	14,131	306,814	(302,852)	-	18,092
Welsh Government	-	37,497	(37,497)	-	-
Continuing Health Care	-	79,887	(78,887)	-	-
ABUHB – Hospice at Home	-	83,820	(83,820)	-	-
Other	64,059	58,958	(56,943)	-	66,074
	7,143,989	945,838	(589,866)	(390,000)	7,109,961
<b>Unrestricted funds</b>					
- general	436,473	934,749	(1,382,068)	390,000	379,154
- designated	-	-	-	-	-
	-	-	-	-	-

### Purposes of restricted funds

#### **Robin Judah Investment Portfolio**

This donation was given with the restriction that it could not be used for capital projects but is available for general running costs.

#### **Aneurin Bevan University Health Board (ABUHB)**

This funding is given to support specialist nurses and related costs. Further funding is given to support a Hospital Admissions Avoidance Project (HAAP) along with education funding.

#### **Welsh Government**

This fund is for NHS matched pension contributions.

#### **Continuing Health Care**

This funding is given to support specialist nurses and related costs.

#### **ABUHB – Hospice at Home**

This funding is given to support specialist nurses to provide palliative care through the hospice at home service.

#### **Other**

These funds relate to donations given specifically for the purchase of specific items, such as equipment for patients, clinic rent and for the social workers to spend at their discretion to help the families of patients who may be suffering financial difficulties.

## THE HOSPICE OF THE VALLEYS

### Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2022

#### 18. Designated Funds

	2022	2021
	£	£
Balance brought forward 1 <sup>st</sup> April 2021	-	-
Interest received for year	-	-
Transferred to unrestricted funds	-	-
	<u>-</u>	<u>-</u>
Balance carried forward 31 <sup>st</sup> March 2022	<u>-</u>	<u>-</u>

The designated fund was released in the previous year. It previously consisted of an 'emergency' fund of £50,000 to be used in the event of the charity having to be wound up, and a new premises fund of £100,000.

#### 19. Transfers Between Funds

The following transfer was made in the year:

- £390,000 is transferred from income and gains on the investment portfolio to be used for general running costs.

#### 20. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds
	£	£	£	£
Intangible fixed assets	127	-	-	127
Tangible fixed assets	12,507	14,131	-	26,638
Investments	-	7,025,794	-	7,025,794
Current assets	502,374	96,824	-	599,198
Current liabilities	(135,854)	(26,788)	-	(162,642)
Liabilities over 1 year	-	-	-	-
<b>Net assets at 31<sup>st</sup> March 2022</b>	<u>379,154</u>	<u>7,109,961</u>	<u>-</u>	<u>7,489,115</u>

#### 21. Analysis of staff costs and numbers, and the cost of key management personnel

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	1,330,721	1,203,863
Social security costs	126,674	108,473
Pension costs	99,898	89,636
	<u>1,557,293</u>	<u>1,401,972</u>

The charity considers that its key management personnel comprise the CEO, the Head of Finance and the Head of Clinical Services. The total employment benefits including employer pension contributions of the key management personnel were £156,204 (2021: £151,950).

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was 1 (2021: 1). This employees' emoluments fell within the £70,000 to £80,000 band.

## **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2022

### **21. Analysis of staff costs and numbers, and the cost of key management personnel continued**

The average monthly number of employees during the year was as follows:

	<b>Total</b>	
	<b>2022</b>	<b>2021</b>
Hospice services	32.20	27.00
Fundraising and publicity (including shops)	10.30	7.00
Management and administration of the charity	9.00	8.00
	<u>51.50</u>	<u>42.00</u>

### **22. Trustees' Remuneration**

No members of the management committee received any remuneration or other payments during the year (2021: nil)

### **23. Related Party Transactions**

Income of £306,813 (2021: £156,204) has been received from Aneurin Bevan University Health Board, of which, P Robson (director) is a Special Board Advisor. Transactions totalling £444 were enacted between the Hospice and Roseblade Media Ltd during the year, a trading company owned and run by Mr Matthew Morris-Parker (director), (2021: NIL).

	<b>2022</b>	<b>2021</b>
<b>24. Capital Commitments</b>	<u>Nil</u>	<u>Nil</u>
<b>25. Contingent liabilities</b>	<u>Nil</u>	<u>Nil</u>

### **26. Reconciliation of net movement in funds to net cashflow from operating activities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net movement in income/ (expenditure)	(91,347)	1,492,826
Add back amortisation charge	1,529	1,529
Add back depreciation charge	24,029	21,228
Add back loss on disposal	691	452
(Gains)/losses on investments	(183,719)	(1,366,748)
Dividends and interest from investments	(195,176)	(212,923)
Investment charges accrued	28,867	25,307
Decrease (increase) in stocks	154	914
Decrease (increase) in debtors	253,853	(343,811)
Increase (decrease) in creditors	(33,603)	102,942
	<u>(194,722)</u>	<u>(278,284)</u>
<b>Net cash used in operating activities</b>	<u>(194,722)</u>	<u>(278,284)</u>
<b>Analysis of cash and cash equivalents</b>		
Net cash at the end of the year.	<u>425,821</u>	<u>232,459</u>

## THE HOSPICE OF THE VALLEYS

### Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2022

#### 27. Pension Costs

Net pension costs of £99,898 (2021 - £89,636) were charged to the Statement of Financial Activities during the year. Included in other creditors at 31 March 2022 was £7,020 (2021 - £8,230) in relation to the personal schemes.

#### 28. Operating Lease Commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	74,160	81,243
Between two and five years	55,510	143,837
	<u>129,670</u>	<u>225,080</u>

#### 29. Comparatives for Movement in Funds

	At 01/04/20	Income (including gains)	Expenditure (including losses)	Net Transfers	At 31/03/21
	£	£	£	£	£
<b>Restricted funds</b>					
Robin Judah investment portfolio	5,986,484	1,579,622	(25,307)	(475,000)	7,065,799
Aneurin Bevan University Health Board	17,500	228,339	(228,339)	-	14,131
Welsh Government	-	45,404	(45,404)	-	-
Continuing Health Care	-	56,648	(56,648)	-	-
ABUHB – Hospice at Home	-	83,820	(83,820)	-	-
Other	35,348	40,294	(11,583)	-	64,059
	<u>6,039,332</u>	<u>2,034,127</u>	<u>(454,470)</u>	<u>(475,000)</u>	<u>7,143,989</u>
<b>Unrestricted funds</b>					
- general	48,304	1,231,267	(1,318,098)	475,000	436,473
- designated	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### Purposes of restricted funds

##### **Robin Judah Investment Portfolio**

This donation was given with the restriction that it could not be used for capital projects but is available for general running costs.

##### **Aneurin Bevan University Health Board (ABUHB)**

This funding is given to support specialist nurses and related costs. Further funding is given to support a Hospital Admissions Avoidance Project (HAAP) along with education funding.

##### **Welsh Government**

This fund is for NHS matched pension contributions.

##### **Continuing Health Care**

This funding is given to support specialist nurses and related costs.

##### **ABUHB – Hospice at Home**

This funding is given to support specialist nurses to provide palliative care through the hospice at home service.

##### **Other**

These funds relate to donations given specifically for the purchase of specific items, such as equipment for patients, clinic rent and for the social workers to spend at their discretion to help the families of patients who may be suffering financial difficulties.

## THE HOSPICE OF THE VALLEYS

### 30. Comparatives for the Statement of Financial Activities

	UNRESTRICTED FUNDS	RESTRICTED FUNDS	DESIGNATED FUNDS	31/03/21 TOTAL FUNDS
	£	£	£	£
<b>Income from:</b>				
Donations and Legacies	137,446	39,450	-	176,896
<b>Charitable activities:</b>				
Local Health Board service level agreement	-	295,765	-	295,765
Welsh Government Covid-19 Emergency Funding	-	45,404	-	45,404
Aneurin Bevan University Health Board	575,721	-	-	575,721
	-	73,042	-	73,042
<b>Other trading activities:</b>				
Shop and merchandise sales	157,359	-	-	157,359
Fundraising	151,414	844	-	152,258
Investments	49	212,874	-	212,923
Other	209,278	-	-	209,278
<b>Total Income</b>	<u>1,231,267</u>	<u>667,379</u>	<u>-</u>	<u>1,898,646</u>
<b>Expenditure on:</b>				
<b>Raising funds:</b>				
Shops and merchandise	216,149	-	-	216,149
Fundraising	209,191	1,789	-	210,980
Investment management	-	25,307	-	25,307
<b>Charitable activities</b>	<u>892,758</u>	<u>427,374</u>	<u>-</u>	<u>1,320,132</u>
<b>Total Expenditure</b>	<u>1,318,098</u>	<u>454,470</u>	<u>-</u>	<u>1,772,568</u>
Gains/ (losses) on investments	-	1,366,748	-	1,366,748
<b>Net Income / (Expenditure)</b>	(86,831)	1,579,657	-	1,492,826
Transfers between funds	475,000	(475,000)	-	-
<b>Net movement in funds for the year</b>	<u>388,169</u>	<u>1,104,657</u>	<u>-</u>	<u>1,492,826</u>
<b>Reconciliation of funds:</b>				
Balances brought forward	48,304	6,039,332	-	6,087,636
Balances carried forward at 31 <sup>st</sup> March 2021	<u>436,473</u>	<u>7,143,989</u>	<u>-</u>	<u>7,580,462</u>

**The following pages do not form part of the statutory accounts of the charity**

## THE HOSPICE OF THE VALLEYS

### Total Funds Income and Expenditure Account for the year ended 31<sup>st</sup> March 2022

	Unrestricted 2022 £	Restricted 2022 £	Unrestricted 2021 £	Restricted 2021 £
<b>Income:</b>				
Charitable trusts	34,500	38,329	55,612	31,040
Donations & legacies	83,518	-	77,941	-
NHS donations & grants	-	211,945	-	211,945
Sales of merchandise	121	-	93	-
Bank interest received	33	-	49	-
Investment income	-	195,144	-	212,873
Aneurin Bevan University Health Board	-	174,754	-	73,042
Events/community fundraising	180,089	2,345	151,414	844
ABUHB – Hospice at Home	-	83,820	-	83,820
Shop sales	421,139	-	157,266	-
Welsh Government	213,014	37,497	575,721	108,692
Furlough & Retail grants	909	-	209,278	-
Other	1,425	18,284	3,893	8,410
	<u>934,748</u>	<u>762,118</u>	<u>1,231,267</u>	<u>730,666</u>
<b>Expenditure</b>				
<b>Charitable activities</b>				
Clinical salaries	440,579	511,488	312,009	375,154
Clinical pensions	49,153	29,507	44,610	27,361
Social worker salaries	-	-	159,442	9,256
Social worker expenses	1,645	-	162	-
Drugs & clinical supplies	175	-	47	-
Clinic rent	-	-	-	-
Motor expenses	18,791	-	17,820	100
Clinic food & other costs	274	1,330	84	337
Clinical equipment maintenance	1,032	630	1,411	-
Doctors / nurses mobile phones	6,011	225	3,975	-
Training	6,375	1,500	4,103	1,840
Miscellaneous	17	1,305	1,939	3,464
Clinical equipment depreciation	37	-	36	-
Equipment loss on disposal	-	-	-	-
Recruitment	-	-	-	140
Support costs	309,545	9,931	273,365	7,656
	<u>833,634</u>	<u>555,916</u>	<u>819,003</u>	<u>425,308</u>

## THE HOSPICE OF THE VALLEYS

### Total Funds Income and Expenditure Account for the year ended 31<sup>st</sup> March 2022 continued

	Unrestricted 2022 £	Restricted 2022 £	Unrestricted 2021 £	Restricted 2021 £
<b>Fundraising &amp; Publicity</b>				
Salaries	110,896	-	98,253	-
Pensions	-	-	7,975	-
Motor expenses	5,680	-	3,837	-
Printing & stationery	-	-	903	-
Training	2,176	-	1,829	-
Merchandise for resale	3,969	-	1,492	-
Fundraising expenses	16,568	-	27,775	-
Events	8,595	-	490	-
Shop rental & costs	91,930	-	92,657	-
Retail salaries	142,065	-	118,460	-
Investment management fees and charges	-	28,867	-	25,307
Telephone	2,527	-	1,887	-
Shop fittings & vehicle depreciation	2,596	-	3,540	-
Database costs	3,005	-	2,394	-
Support costs	75,969	2,437	63,848	1,789
Loss on disposal of motor vehicle	-	-	-	-
	465,976	31,304	425,340	27,096
<b>Management &amp; Admin / Governance</b>				
Salaries	252,383	9,238	233,821	5,941
Pensions	12,944	-	10,569	-
Motor expenses	3,133	-	1,916	-
Telephone & postage	14,532	-	14,033	-
Printing & stationery	4,635	-	4,166	-
Insurance	13,110	-	10,607	-
Auditors remuneration	3,600	-	4,356	-
Accountants remuneration	776	-	4,984	-
Professional fees	9,704	-	3,542	-
Bank charges and interest	3,396	-	568	-
Miscellaneous	7,179	-	4,030	-
Office equipment depreciation	21,395	-	17,651	-
Property improvements depreciation	-	-	-	-
Software amortisation	1,529	-	1,529	-
Subscriptions	2,369	-	1,373	-
Rent and rates	69,086	-	66,296	-
IT expenses	20,778	5,775	25,044	5,569
Trade Team expenses	8,837	-	7,553	-
Office machine rental	2,069	-	2,538	-
Lease finance interest	473	-	1,139	-
Irrecoverable vat	-	-	(21,375)	-
Personnel services	16,041	-	16,629	-
	467,969	15,013	410,969	11,510
Allocation of support costs	(385,513)	(12,368)	(337,214)	(9,444)
	82,456	2,645	73,755	2,066
Transfer of funds	390,000	(390,000)	475,000	(475,000)
(Deficit)/ surplus of income over Expenditure	(57,320)	(217,747)	388,169	(198,803)

**HOSPICE OF THE VALLEYS**

England & Wales - Charity number 517724

---

# Accounts

---

**THE HOSPICE OF THE VALLEYS**  
**(A REGISTERED CHARITY)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> MARCH 2021**

**Charity Number: 517724**

**Company Number: 2007005**

# THE HOSPICE OF THE VALLEYS

<b>CONTENTS</b>	<b>PAGE</b>
Reference and administrative information	1
Report of the Trustees/Directors	2 – 13
Independent auditors report	14 – 16
Statement of financial activities	17
Balance sheet	18
Statement of cashflows	19
Notes forming part of the financial statements	20-30

# **THE HOSPICE OF THE VALLEYS**

## **Report of the Trustees for the year ended 31<sup>st</sup> March 2021**

The trustees present their report and the audited annual financial statements for the year ended 31<sup>st</sup> March 2021

### **Reference and administrative information**

**Charity Name:** The Hospice of the Valleys

**Company Registered Number:** 2007005

**Charity Registered Number:** 517724

**Registered Office:** Festival Drive, Ebbw Vale, Gwent, NP23 8XF

**Trustees/Directors:** Miss Susan Kent MBE DL (CHAIR)  
Mr Allan Harris (Vice Chair)  
Mr Alan Williams  
Mr Phillip Robson  
Mr Kevan Lines (resigned 6<sup>th</sup> June 2021)  
Reverend Barry Roche  
Mrs Sally Mirando  
Mr Robert James  
Mr Mathew Morris-Parker  
Ms Nina Holmes (appointed 22<sup>nd</sup> June 2021)

**Company Secretary:** Mr Grant Usmar

**Senior Management Team:** Mr Grant Usmar – Chief Executive  
Mrs Jane Hart MBE – Head of Clinical Services  
Mrs Heather Beynon FCCA – Head of Finance

**Independent Auditors:** Baker Knogle Chartered Accountants, Orbit Business Centre, Rhydycar  
Business Park, Merthyr Tydfil CF48 1DL

**Accountants:** Hale Jackson Knight Limited, 19 Gloucester Road,  
Ross-on-Wye, Herefordshire, HR9 5LQ

**Bankers:** Lloyds Bank Plc. The Co-operative Bank  
8 High Town PO Box 250  
Hereford Skelmersdale  
HR1 2AE WN8 6WT

**Investment Bankers:** Rathbones, 159 New Bond Street,  
London,  
W15 2UD

**Solicitors:** Lewis & Lines, Commercial Chambers  
Abertillery, Gwent, NP13 1YB

# **THE HOSPICE OF THE VALLEYS**

## **Report of the Trustees for the year ended 31<sup>st</sup> March 2021**

### **Structure, Governance and Management**

The Trustees/directors are pleased to present their report and financial statements for the year ended 31st March 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

#### **Governing Document**

The charity is a charitable company limited by guarantee, incorporated on 4th April 1986. It is governed by a memorandum and articles of association and does not have a share capital. The limited company registration number is 2007005. The company is a registered charity under the Charity Commission, reference number 517724.

#### **Appointment of Trustees / Directors**

The Directors of the company are also charity trustees for the purpose of charity law, and under the company's Articles are known as the Council of Trustees (The Trustees). As set out in the Articles the number of members of the council shall not be less than five nor more than ten.

Trustees are appointed by the board of trustees in accordance with the Hospice's procedure on appointment of new trustees. Trustees appointed in the year are interviewed by the Chairman prior to being elected by the Board of Trustees. Such appointments are ratified by the members at the next General Meeting. Trustees must sign an undertaking that they are fit to serve (i.e. meet specific requirements).

Trustees serve for six years after which this may be renewed by the members at the next General Meeting.

#### **Trustees Induction and Training**

All prospective Trustees are sent an information pack containing the Memorandum and Articles, Vision Mission & Values, Hospice of the Valleys Philosophy, last two Annual Reports, last audited accounts, Hospice of the Valleys – Trustee responsibilities, Charity Commission booklet CC3 – Responsibilities of Charity Trustees, Help the Hospice Trustee Induction Pack, and the latest Strategic/Business Plan.

#### **Organisational Structure**

The Hospice is managed by a council of trustees of between five and ten members who meet bi-monthly. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

#### **Key Management and Employees Remuneration**

Hospice of the Valleys recognises that it must ensure staff are rewarded appropriately for their work and dedication. It is also necessary to ensure competitive rates of pay and benefits are maintained to ensure retention and recruitment of the best calibre staff to deliver the Charity's objectives.

The Board has agreed a Hospice pay scale that encompasses all staff. This scale is based on the NHS Agenda for Change pay scale and is applied to all staff. The Board of Trustees approves an annual pay increase for all staff at its budget setting meeting in Feb/March each year. The level of pay is set on joining the Hospice. Movements within the scale and any increases are wholly subject to appraisal and related performance reports and are decided by the Chief Executive. The Chief Executive is appraised by the Chairman and remuneration agreed by the board. Whilst the Hospice seeks to maintain equivalence with prevailing nationally negotiated conditions of pay it cannot be bound by their agreements. Cost of living and other salary increases are discretionary and subject to funding constraints.

The Hospice is a Direction Employer under the NHS Pension scheme and qualifying staff are eligible to join this scheme on employment with the Hospice. For other staff the Hospice has a stakeholder pension scheme into which it contributes 5% of salary. All non-NHS pension staff are auto enrolled into this scheme on employment with the Hospice.

#### **Risk Management**

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

# THE HOSPICE OF THE VALLEYS

## **Objectives and Activities**

The principal activity of the company in the year under review was that of a hospice and specialist palliative care service.

The aims of its service are to benefit the public through the following objectives:

- To practice holistic Hospice care, addressing all the patient's needs, physical, spiritual, social and emotional.
- To support families so well that they are enabled to care for dying relatives at home to the end.
- To maximise patients' autonomy.
- To establish a model of Hospice care that is recognised locally, nationally and internationally as being of the highest standards. To teach about our methods.
- To care for patients from first diagnosis of a life-threatening illness through to cure or death. To support carers throughout this time, and in bereavement as long as necessary.

In order to achieve these aims the Hospice aims to be a Specialist Palliative Care Provider – Consultant led with a team of highly trained and skilled clinicians, social workers and other professionals. The Hospice has embarked upon a review of its clinical governance framework under the leadership of the consultant, which will ensure a robust evidence based delivery of appropriate care to the population of Blaenau Gwent.

The Hospice now benefits from the support of over 200 volunteers. A large proportion of these help us to fundraise by manning our six shops, driving our vans, and helping at fundraising events. Volunteers also help at our clinics as hostesses, welcoming new patients and providing refreshments.

The value of volunteer time is not quantified in terms of money, but the time contributed by volunteers is an invaluable resource in terms of the outstanding contribution made by them.

## How our activities deliver public benefit

The Trustees have had regard to Charity Commission guidance on public benefit. Our objects and funding limit the services we provide to those residents in Blaenau Gwent. We deliver public benefit via the following activities:

- Hospice of the Valleys provides community-based Specialist Palliative Care to the people of Blaenau Gwent who are suffering from a life limiting illness, their families and carers.
- We also provide a Hospice at Home service where patients can have Healthcare Assistants in their home during the night and in the day.
- Our staff work in collaboration with other Healthcare Professionals to ensure patients always receive appropriate, high quality care when needed.
- We always strive to ensure patients are cared for in their preferred place of care which may be their own home.
- People with a life-limiting illness can be referred to Hospice of the Valleys and access any of the services provided by the Charity.
- Services are provided free-of charge to patients and their families/carers.
- Hospice of the Valleys is at the heart of the Community providing employment, volunteering opportunities and many public events and activities.

# **THE HOSPICE OF THE VALLEYS**

## **Chairman's Summary**

As with the introduction to most annual accounts this year, ours will be somewhat dominated by the effects of the global pandemic. It will be interesting to look back on this document in years to come to see what impact the year has had in the way we deliver services and raise funds in the future.

Over the year I will look at the phases we have gone through, reacting, adapting, maintaining and planning. (no staff got covid during the year)

## **Reacting**

As with most organisations across the country, we had to change the way we worked in response to regular updates issued by the UK and Welsh Governments. We also had to react to the changes in the services around us that had an impact on the families we were working with.

Realising that our ability to generate an income through our shops and through traditional fundraising activities would be affected meant that we had to revisit our budget and plans for the year and look at what could be maintained, what could be reduced and what could be paused whilst still meeting our objectives as a charity. Our Board of Trustees had a regular and active role to play to help put plans in place to continue with face-to-face services whilst also planning to ensure that the charity would be sustainable in the longer term.

Hospice staff were not immune to the worries felt by the population as a whole around the spread of the pandemic. We worked together to mitigate risks, discuss concerns about safety, both at work and when returning to the family home, as well as concerns about job security, child care and support for elderly relatives. It is a real credit to all of our team that we were able to deal with these issues whilst maintaining services that were as close to 'business as usual' as we could, so that local families would receive a continuity of care.

## **Adapting**

Thanks to the regular supply of PPE supplied by Aneurin Bevan University Health Board our community services in people's homes, care homes and local hospitals was able to continue. COVID did not mean that demand for our services disappeared, though there was an initial reluctance by a number of families to have visitors (including healthcare professionals, coming into their house). Our protocols therefore had to change to both protect those we were visiting as well as our colleagues and their families. We introduced COVID screening calls prior to patient visits and updates in daily handovers between colleagues.

As our ability to hold face-to-face and mass participation events was curtailed, we adapted our fundraising messages and activities to move online. Virtual events proved to be a success and I cannot speak highly enough of our local supporter's motivation and innovative ideas to take part and help raise funds for the charity to continue to deliver services.

## **Maintaining**

The closure of shops meant that we needed to furlough members of the retail staff and develop way of selling more goods online. Home working became the norm for some teams and driving income through online activities and donations matured as a process. After pausing our Day Centre provision, we were able to move some services online enabling group members to maintain contact and peer support. For many who were shielding this was their only familiar interaction with the outside world. Our online groups for families living with a dementia diagnosis proved to be a vital support mechanism as day services and respite services stopped due to COVID restrictions.

Our bereavement services moved more to the phones and online meeting platforms including AttendAnywhere, which was funded by the local Health Board. We also received funding from Welsh Government to offer a wider level of bereavement support to non-hospice patients in Blaenau Gwent and Merthyr Tydfil, which saw an increase in activity by the team and the challenges of supporting people whom they had never met face to face.

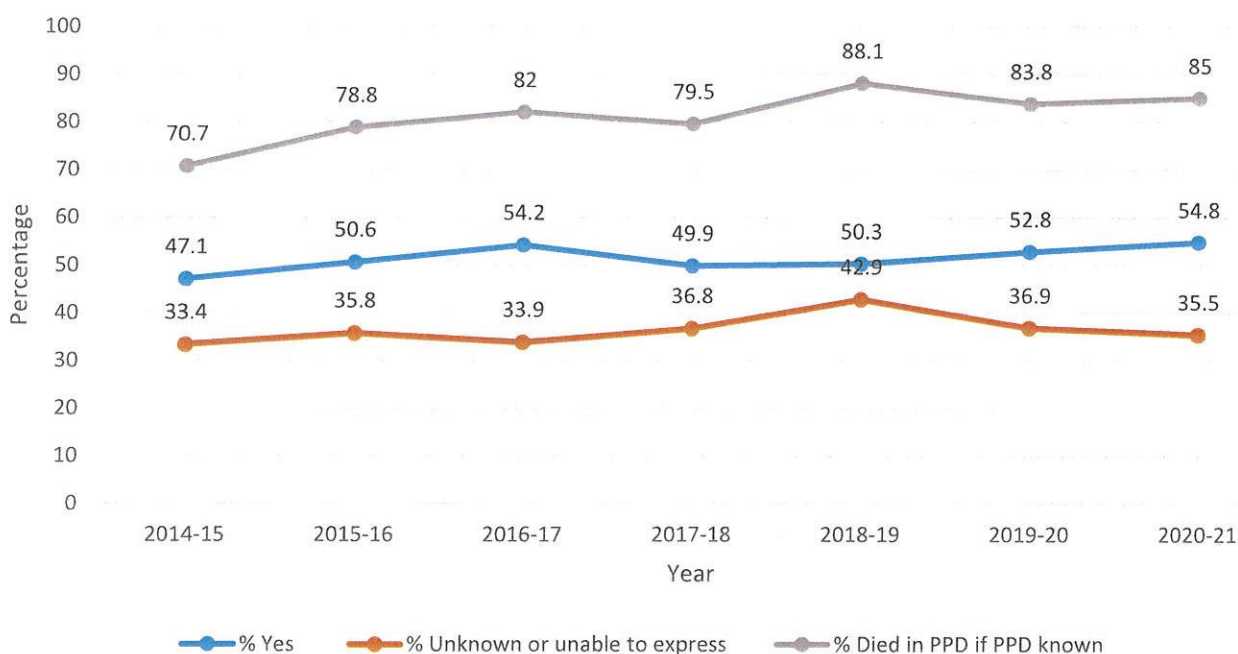
## THE HOSPICE OF THE VALLEYS

Hospice staff based at Ysbyty Aneurin Bevan had a clear role in communicating with patients' family and friends as visitors were initially not permitted onto the premises. We continued our support of local care homes meeting patients and supporting the staff working there.

Overall, our activity during the year was comparable with previous years, although we noticed that we had more patients with complex needs. Complexity ranged from symptom control to psychological, financial and communication needs.

We continued to meet our education commitments across Caerphilly and Blaenau Gwent as well as moving our 'Dementia through a Caers Lens' programme online enabling people across the country to access the resource.

Percentage of patients known to Hospice of the Valleys who died in their preferred place



### Planning

Though the year ended whilst the pandemic and the accompanying restrictions and precautions remained in place we were still in a position to reflect on what had taken place and what our next steps should be. Thanks to the support offered by the Welsh Government to all hospices in Wales and the amazing fundraising efforts of the local population we were in a much better financial position than predicted at the beginning of the year. The majority of our staff received their second vaccination in February and the pledge to continue PPE supplies were made.

All of the positive outcomes highlighted above helped to increase the levels of confidence in staff around our ability to continue delivering services to all of those who needed them.

Therefore, this report enables me as Chairman on behalf of all the Trustees to thank you all very much.

**Miss Susan Kent MBE**  
**Chairman**

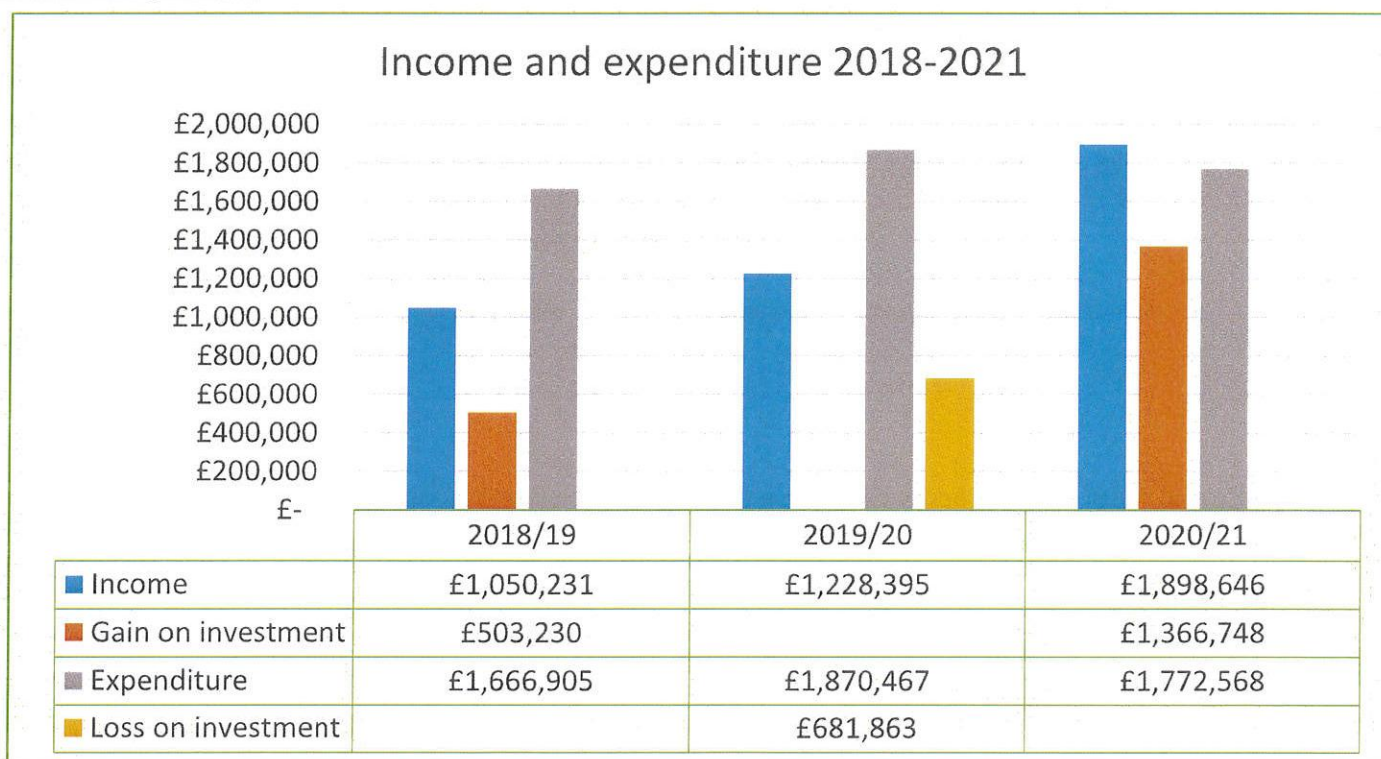
# THE HOSPICE OF THE VALLEYS

## Financial Review

During the year the hospice benefitted from additional one-off funding made available to the charity of £799,059. Of which, £609,928 funded Charitable Activities and £189,131 covered lost retail income due to lockdowns during the year. Therefore, the hospice recognised a surplus of £126,078 (2019/20: £642,072 deficit) before the gain/loss on investment. The investment also recovered from the loss recognised in March 2020 when the impact of the pandemic began. A summary of the additional one-off income received during the year can be seen in the table below:

<b>Additional funding</b>	<b>2020/21</b>
Welsh Government Covid-19 Emergency Hospice Funding	575,721
Welsh Government Total Bereavement Fund (Part deferred to 2021/22)	14,060
Retail Grants	160,496
Furlough - Retail	28,635
Furlough - Other	20,147
<b>Total</b>	<b>799,059</b>
Lost Retail income	189,131
Charitable activities	609,928

## Income and expenditure

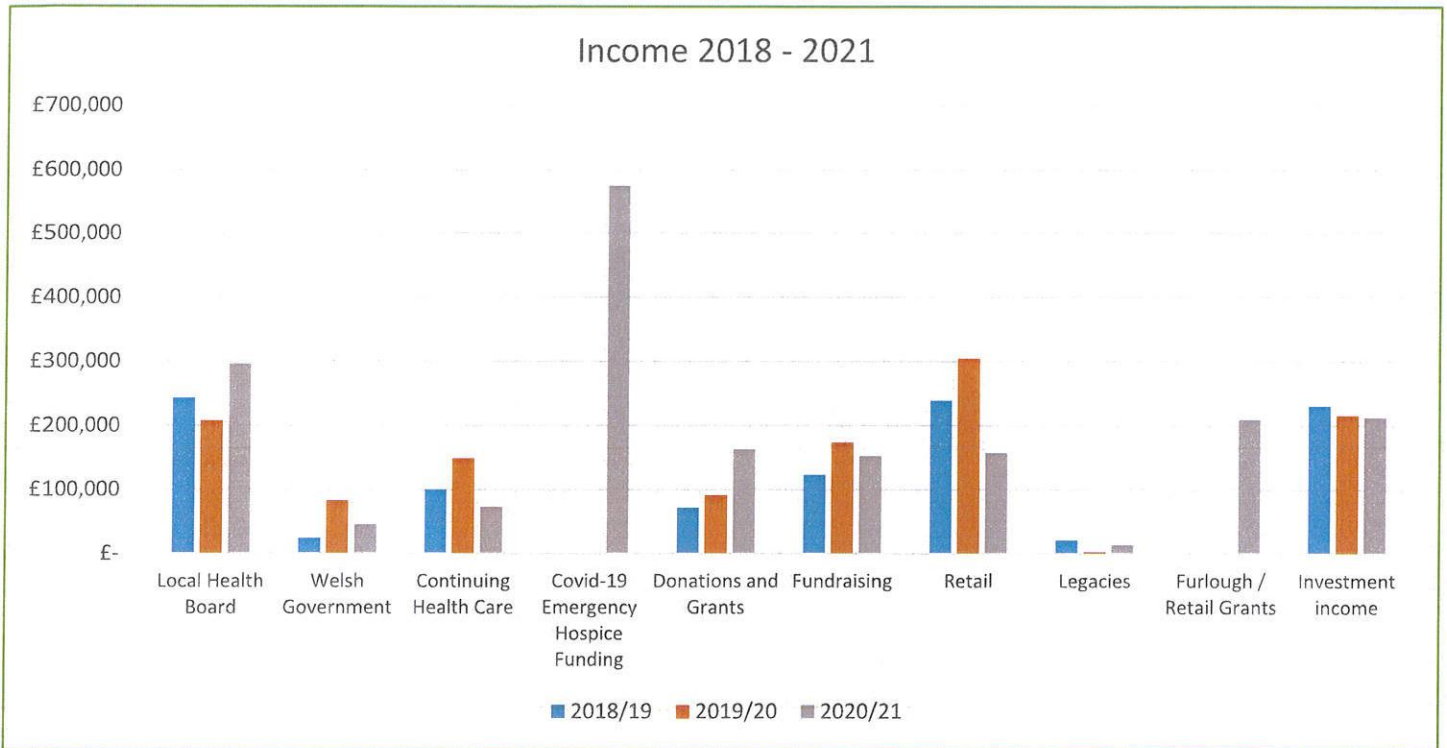


Income in 2020/21 was £670,251 higher than the previous year largely due to the one-off grants explained above.

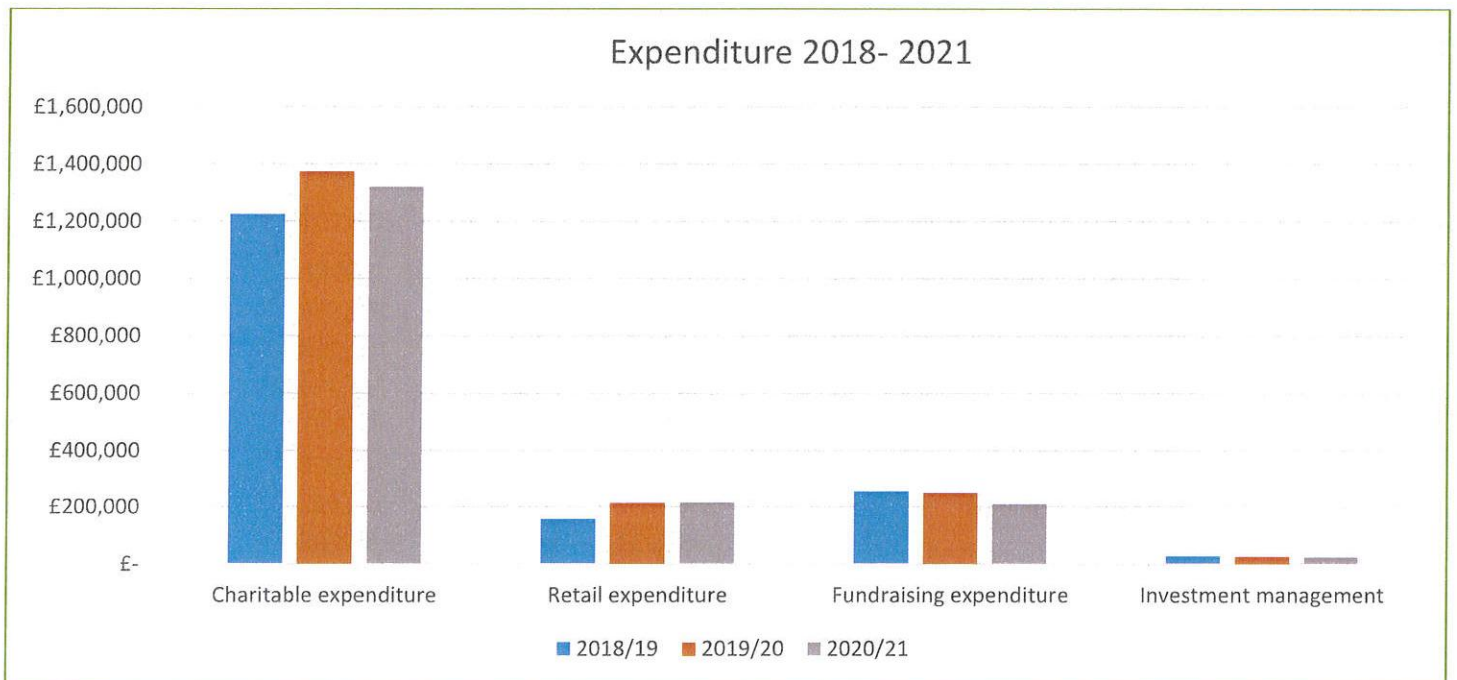
Retail income including grants was £41,638 higher than the previous year largely due to increased trade when the shops were able to open during the year. Fundraising income was down on the previous year due to the restrictions on events, but individual donations and grants were higher. In total, income generated was up £99,471 on the previous year. Welsh Government restricted funding was £37,000 lower than 2019/20 but unrestricted funding was up £590,000.

# THE HOSPICE OF THE VALLEYS

A summary of income received over the last three years:



By far the greatest expenditure has been on delivering Hospice Care to the population of Blaenau Gwent and in 2021 we spent £1.320m (2019/20: £1.375m) which has accounted for 75% of our expenditure (2019/20: 73%).

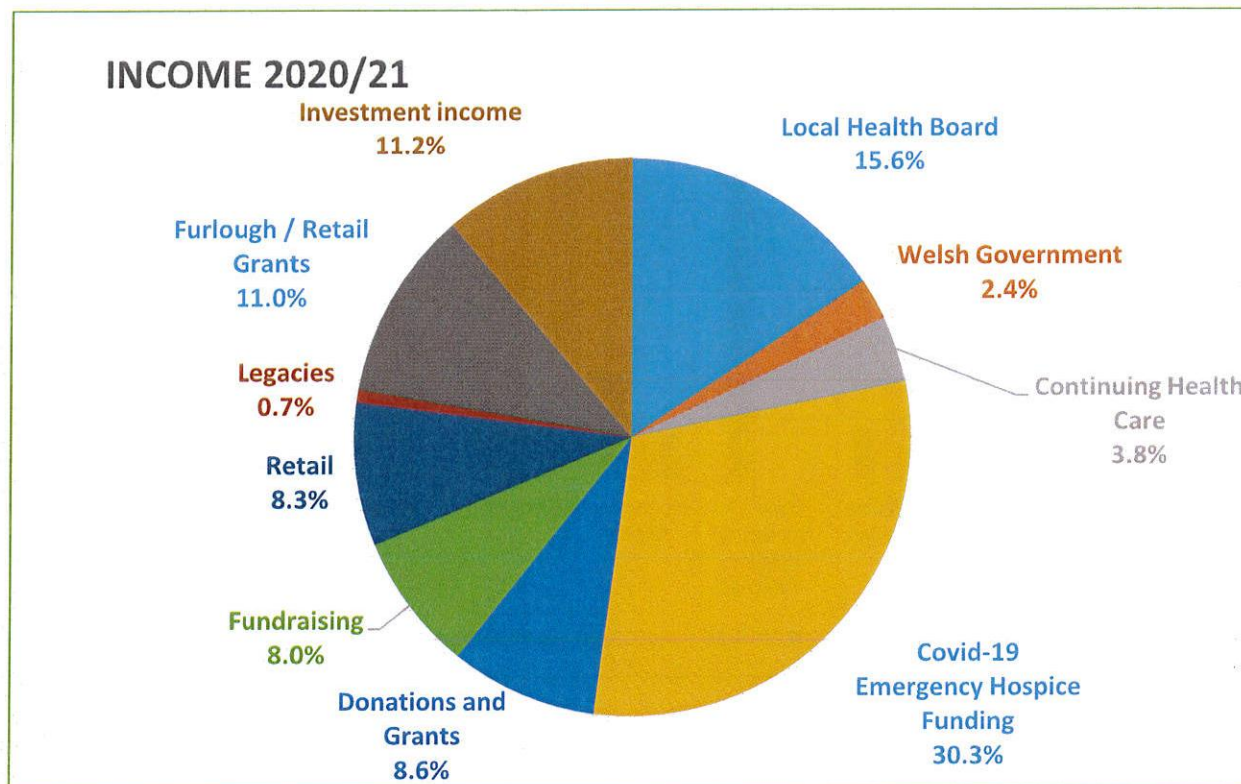


Expenditure during the last financial year was down due to operating a lean organisation over the pandemic and reducing costs where possible due to uncertainty. This, however, is not sustainable as demand on our service continues to grow, and costs will increase in the next financial year.

## THE HOSPICE OF THE VALLEYS

After transfers between funds, unrestricted reserves now stand at £436,473 restricted reserves at £7,143,989.

### Principal Funding Sources

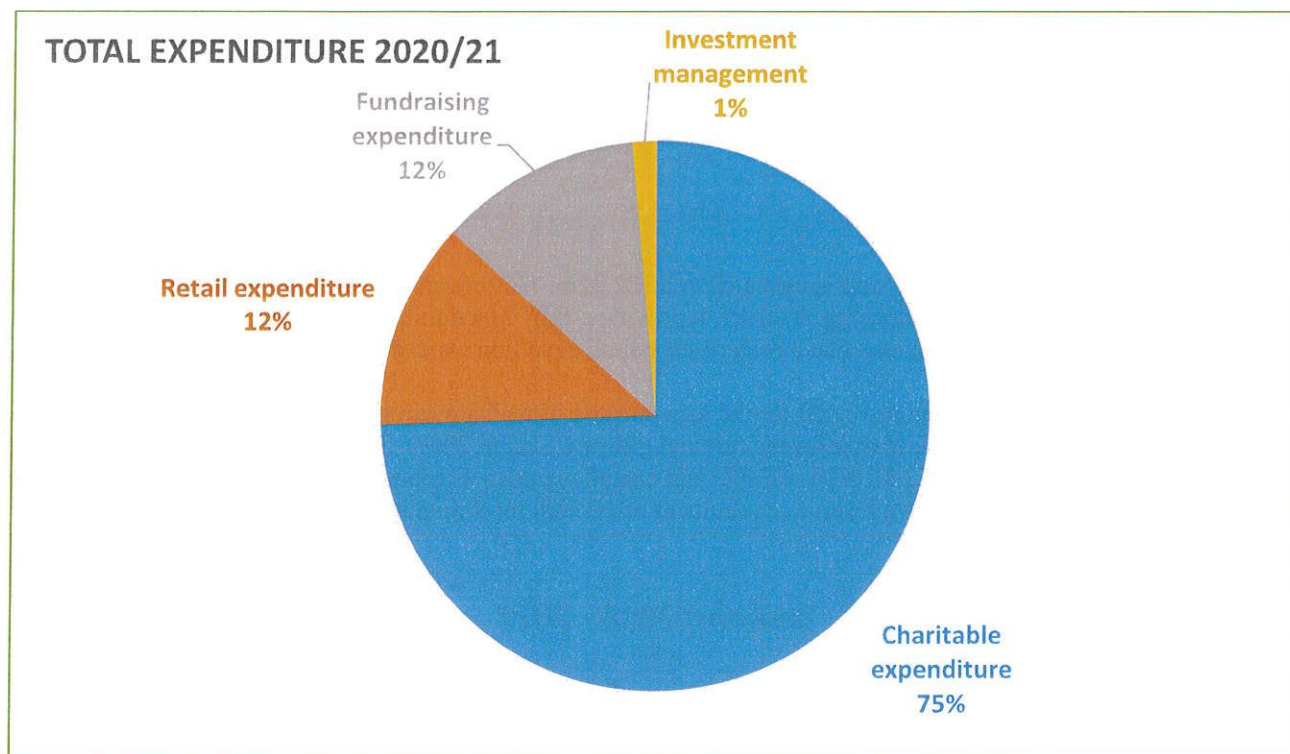


The principal funding sources for the last 3 financial years can be seen below:

Income split	2018/19	2019/20	2020/21
Local Health Board	242,598	207,796	295,765
Welsh Government	24,038	82,595	45,404
Covid-19 Emergency Hospice Funding			575,721
Continuing Health Care	99,256	148,908	73,042
Donations and Grants	71,229	91,168	162,896
Fundraising	122,975	173,890	152,258
Retail	238,951	304,852	157,359
Legacies	21,020	2,700	14,000
Furlough / Retail Grants			209,278
Investment income	230,164	216,486	212,923
<b>Total</b>	<b>1,050,231</b>	<b>1,228,395</b>	<b>1,898,646</b>

Income generation contributed to 47.8% of total income (2019/20: 64%). This includes Legacies at 0.7% (2019/20: 0.2%) and Investment Income of 11.2% (2019/20: 17.6%). Local Health Board, Welsh Government and Continuing Health Care services income contribute towards 52.1% (2019/20: 36%) of total income. This had remained consistent for the last 3 years. One off income accounted for 42% of our total income during the year.

## THE HOSPICE OF THE VALLEYS



£1,320,132 relates to Charitable activities and is analysed further in note 6 to the accounts.

### Reserves Policy

Hospice of the Valleys provides palliative care to the population of Blaenau Gwent. It is a core service provider on behalf of the Aneurin Bevan University Health Board and delivers the only Community Specialist Palliative care service in the borough. By any standards, the provision of health care is an expensive business and the Hospice is not immune from the high costs associated with employing specialist healthcare professionals to deliver the service.

The demographics of the borough of Blaenau Gwent are such that it is widely recognised as being one of the poorest areas in Wales and the UK. This can be measured in terms of income, unemployment rates, home and car ownership and morbidity rates. In considering the need for reserves the Hospice takes the position that its clinical service is essential to this population. Sufficient funds should be available to ensure continued delivery of this service for between 9- and 12-months during periods when volatile income falls below predicted levels.

Normally a reserve of six months would be considered acceptable for a charity. However, the essential nature and high cost of our service to the population, together with possible difficulties fundraising locally in such a deprived area, indicate a responsibility to extend our capacity beyond a six-month period.

### Reserves Statement

Reserves will be maintained at levels sufficient to maintain services for between 9 and 12 months in accordance with the following procedure:

- The Head of Finance will present a financial report in accordance with the Hospice financial reporting policy at each Trustees meeting. Reports will include income and expenditure forecasts and financial risk assessments and the impact of these on the level of reserves.
- At each Trustees meeting the level of reserves will be reviewed in accordance with the above, taking into account and changes in service, income and costs incurred by the organisation.

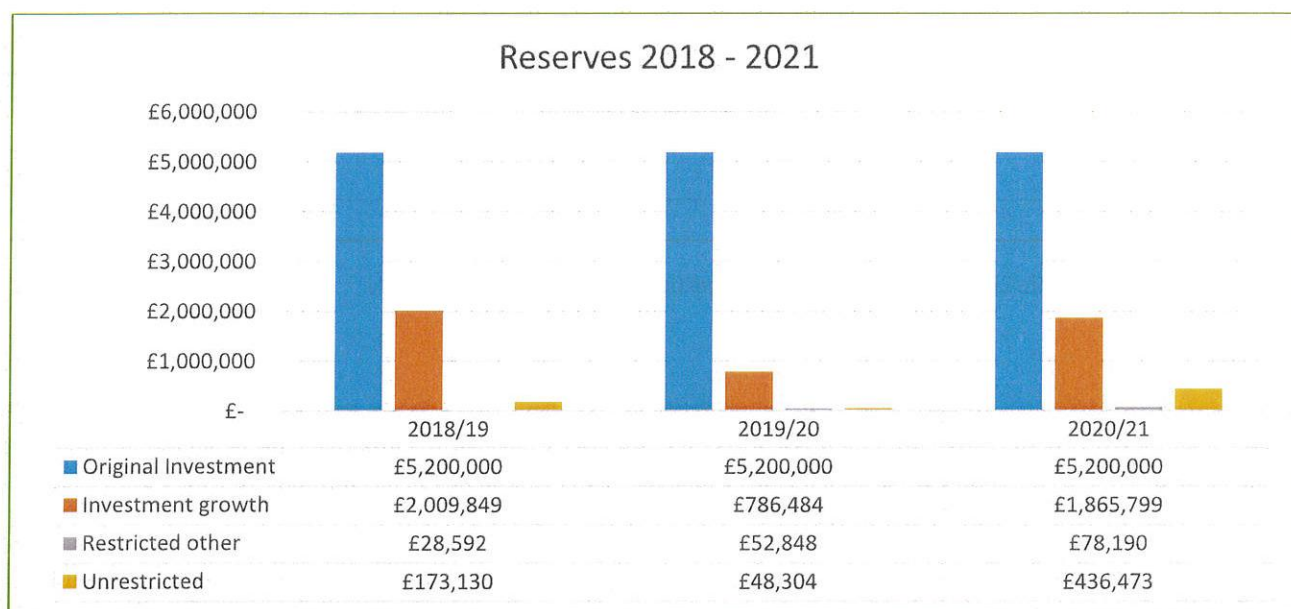
## THE HOSPICE OF THE VALLEYS

- In the event of a surplus in reserve funds, the Chief Executive and Head of Finance will decide to move funds as appropriate in order to maximise interest from any surplus. The level of surplus will be reported to the Board of Trustees who will arrange for the disposal of the surplus funds in accordance with the objects of the Hospice.
- A deficit in reserve funds will be reported to the Board of Trustees and a recovery plan will be presented by the Chief Executive for discussion.

### Required Level of Reserves

In 2021/22 the level of unrestricted expenditure is expected to be £2.02m. This covers all functions of the Hospice including the Clinical Service, Administration and Fundraising. In order to provide a fully functioning organisation, assuming that no income is received for twelve months, it is anticipated that a cash reserve fund equalling expenditure each year is maintained.

However, our investment portfolio was constructed for the sole purpose of realising a regular cash income to help meet the running costs of the Hospice. (This is the reason for the original gift of £5.2m in 2007). The cash withdrawn from our investment portfolio in 2021 was £475K (2019/20: £730K) and can be regarded as robust and thus, would reduce the reliance on reserves by £760K for the year leaving a reserve requirement of £0.76m for 9 months running costs.



A cash-flow contingency fund is also required to ensure the Hospice can meet its monthly obligations in terms of wages, pensions and PAYE should any short term interruptions to income streams occur. A two month contingency fund would be sufficient to give Hospice managers time to investigate and correct any income problems. A two month contingency fund would need to be £337K.

It is difficult to imagine under what circumstances the organisation would be required to close down. However, should this occur there would be financial obligations that would need to be honoured such as statutory redundancy pay and creditors due. It is anticipated that winding-up costs will amount to a minimum £138K of statutory redundancy pay and creditors obligations to the Hospice of £134K.

The Hospice manages creditors efficiently and strives to pay all invoices before the due date, especially for local suppliers. This means that the amount of cash owing is maintained at the lowest possible level. Most day-to-day invoices are for “hundreds” rather than “thousands” of pounds. At the year end, trade creditors due within 12 months amounted to £43K.

The Board of Trustees considers the Hospice Finances at its Bi-monthly meetings which include an updated Forecast to the end of the Financial Year, an updated cashflow and risk management. The Head of Finance prepares a 12 month rolling forecast to allow the board of trustees to consider the main risks to the charity and to allow adequate time to plan for the future of the hospice.

At the end of March 2021 cash reserves stood at £232,459.

## THE HOSPICE OF THE VALLEYS

The requirement of 9 months running costs of £1.52m and the “cash-flow” contingency reserve of £337K (£1.86m in total), means there is a cash reserves deficit of £1.62m.

However, our investment manager advises that the entire portfolio could possibly be liquidated within two weeks with a total value as at 31st March 2021 of £7,065,799. More immediately, the Treasury stocks, with a value of £627,000, could be realised in 24 hours. All of these are of course subject to the market state, but under normal circumstances the above can be taken as a good guide.

### Investment Powers and Policy

Under the memorandum and articles of association, the Charity has the power to invest monies not immediately required for its purpose in or upon such investments, securities, or property as may be thought fit. It is the policy of the Hospice to obtain maximum earnings from interest rates whilst maintaining a suitable level of liquidity of funds that will enable it to comply with the reserves policy. The Hospice will comply with this by holding cash accounts with no more than 12 months access to funds. Longer-term investments will not meet the needs of the organisation.

The Hospice has a moderate risk investment strategy with the aim of generating an attractive income to support the patients and carers of the Hospice and to grow the capital above inflation to protect the purchasing power of the savings over the longer term. If urgent funds were required from the portfolio there is currently £627,395 in cash and secure government bonds, capital which could be returned to the Hospice within 1 day.

### Performance

For the financial year to 31<sup>st</sup> March 2021, the below highlights the performance data for the Charity.

Value as at 31<sup>st</sup> March 2021: **£7,065,799**

	<b>Portfolio</b>	<b>MSCI Income Index</b>	<b>FTSE All Share</b>
1 year	24.33%	19.68%	26.71%
3 years	28.81%	19.55%	9.89%
5 years	46.54%	40.35%	35.69%

All performance figures are quoted net of fees.

### Market Commentary

We moved into the financial year beginning 1<sup>st</sup> April 2020 with plenty of uncertainties at the forefront of investors' minds. COVID pandemic worries had caused global markets to collapse; the FTSE 100 had fallen 34.6% from peak to trough and the S&P 500 fell 33.8%. The diversification of the portfolio, through asset class, geography and sector, combined with the high quality nature of the businesses we invest in meant the maximum drawdown of the portfolio was 13.4%, demonstrating how important capital preservation is to us and forms the foundation of generating attractive returns for the Charity.

Whilst concern continues to surround COVID, the financial soundness of businesses was quickly reinforced by central bank liquidity which propelled financial markets, reduced financial stress, prevented liquidity problems from making good companies insolvent and increased the likelihood of a decent recovery. We have since seen this recovery in equity markets, buoyed by global low interest rates, vaccinations and supportive governments. Dividends that were temporarily suspended while businesses assessed the damage of the pandemic have gradually returned.

COVID may have been at the key concern for the financial year, however political risk also remained. The US election see-sawed between Trump and Biden, and Brexit negotiations continued. A Biden administration initially looked like a negative result for markets, given how supportive of markets Trump had been during his tenure. However, in practice it has been the opposite; Biden's perceived better relationship with China combined with a mandate to increase spending on US infrastructure has been very positively received by investors.

## **THE HOSPICE OF THE VALLEYS**

Brexit, after nearly five years, finally had an outcome. The UK left the European Union (EU) with a free trade agreement (FTA) in goods after the end of the transition period on 31st December. This was again received well by investors; the nature of the agreement was not what was important, simply clarity on the UK's future was enough to drive UK investment returns.

Looking to the next 12 months, the emphasis will remain on COVID and how economies and people adapt as we move out of lockdown. We remain positive on markets as a low interest rate environment is favourable for equities against bonds, vaccines should lead to the return of confidence in businesses and unemployment should hopefully decrease, leading to increases in wages and increased disposable incomes. We will keep a close eye on inflation, i.e. today's price basket compared to the same month last year, as it increases borrowing costs, increases input costs and reduces standards of living. However, we have adequate protection to this in the portfolio and we believe this is temporarily high given the low prices of 12 months ago. Inflation may increase from the low base we've seen in the past couple of years, but we do not believe we will see runaway inflation that would hamper equity markets.

Since 31<sup>st</sup> March 2021, the value of the portfolio has increased to £7,807,984, a total return of 8.85% against the MSCI PIMFA Income generating 6.12% and the FTSE All Share increasing 7.85%. The income percentage remains at 2.6%, however given the rise in the value of the overall portfolio this represents an increase in anticipated income going forward.

### **Plans for Future Periods**

The strategic aim is:

to deliver the highest quality of clinical care, becoming a Beacon Centre for community-based specialist palliative care; not bigger geographically but bigger and better at what we do, consolidating our position as THE provider of Specialist Palliative Care for Blaenau Gwent

#### **10 key objectives:**

1. sustain and improve current levels of patient-focused and patient-centred care through all aspects of service provision and ongoing development.
2. respond positively and flexibly to the specific needs of our patient population, extending the current levels of "24/7" care to include 7 day working for all services with access to outpatient, day centre and family support services extended to 8am – 8pm;
3. respond positively to the changing case mix with reciprocal working agreements across a range of medical specialities e.g. MND; cardiac; dementia; renal;
4. extend the current hospice at home service to include the provision of "packages of care" and a rapid response team
5. improve the range of specialist services available, including, increased medical cover; occupational therapy; physiotherapy; dietician and psychology
6. support the increasing need for local access to transitional care, helping to bridge the gap between paediatric palliative care and adult services.
7. build services that take account of potential changes in local population demographics as a result of planned regeneration and ensure equity of access for all
8. be recognised for research-based service development, acting as an expert resource and training centre in specialist palliative care
9. function as a "community resource", well known and actively supported throughout Blaenau Gwent; recognised for a professional approach in all clinical and non-clinical aspects of the service and recognised as being fully supportive of patients, families, staff and volunteers.
10. build strong partnerships with Aneurin Bevan University Health Board and other health and social care organisations; working to develop integrated models of hospice palliative and end-of-life care that reflect national priorities and best practice, achieving recognition for the "added value" offered by independent hospices.

# THE HOSPICE OF THE VALLEYS

## Responsibilities of the Trustees

The trustees (who are also directors of Hospice of the Valley for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the management committee are required to prepare financial statements for each financial year. Under company law the management committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these statements, the committee are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and 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 assume that the company will continue on that basis.

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

Insofar as each of the committee of management of the charity at the date of approval of this report is aware there is no such relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

### **Auditor**

The auditors, Baker Knogle Chartered Accountants, were re-appointed as the charitable company's auditors during the year.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities FRS102, Charities Act 2011 and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

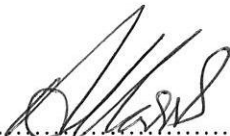
Approved by the council of management on 19/11/21 and signed on their behalf by



(Signed)

SUSANA VIDA KENT

(Name)



(Signed)

ALAN HARRIS

(Name)

# **THE HOSPICE OF THE VALLEYS**

## **Independent Auditor's Report to the Trustees of Hospice of the Valleys**

### **Opinion**

We have audited the financial statements of The Hospice of the Valleys (the 'charitable company') for the year ended 31<sup>st</sup> March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31<sup>st</sup> March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **THE HOSPICE OF THE VALLEYS**

### **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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Officers and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related trade union legislation) and taxation regulation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the Officers.

## THE HOSPICE OF THE VALLEYS

- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement on the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **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.



Huw Baker FCA (Senior Statutory Auditor)  
for and on behalf of Baker Knoye Accountancy Limited  
Chartered Accountants & Statutory Auditors  
Orbit Business Centre  
Merthyr Tydfil  
CF48 1DL

Date: *19<sup>th</sup> November 2021*

## THE HOSPICE OF THE VALLEYS

### Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31<sup>st</sup> March 2021

		UNRESTRICTED FUNDS	RESTRICTED FUNDS	DESIGNATED FUNDS	31/03/21 TOTAL FUNDS	31/03/20 TOTAL FUNDS
	NOTES	£	£	£	£	£
<b>Income from:</b>						
Donations and Legacies	3	137,446	39,450	-	176,896	93,868
<b>Charitable activities:</b>						
Local Health Board service level agreement		-	295,765	-	295,765	207,796
Welsh Government Covid-19 Emergency Funding		-	45,404	-	45,404	82,595
Aneurin Bevan University Health Board		575,721	-	-	575,721	-
		-	73,042	-	73,042	148,908
<b>Other trading activities:</b>						
Shop and merchandise sales		157,359	-	-	157,359	304,852
Fundraising		151,414	844	-	152,258	173,890
Investments	4	49	212,874	-	212,923	216,486
Other	5	209,278	-	-	209,278	-
<b>Total Income</b>		<u>1,231,267</u>	<u>667,379</u>	<u>-</u>	<u>1,898,646</u>	<u>1,228,395</u>
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Shops and merchandise		216,149	-	-	216,149	214,853
Fundraising		209,191	1,789	-	210,980	252,853
Investment management	6	-	25,307	-	25,307	27,873
<b>Charitable activities</b>	7	<u>892,758</u>	<u>427,374</u>	<u>-</u>	<u>1,320,132</u>	<u>1,374,888</u>
<b>Total Expenditure</b>		<u>1,318,098</u>	<u>454,470</u>	<u>-</u>	<u>1,772,568</u>	<u>1,870,467</u>
Gains/ (losses) on investments		-	1,366,748	-	1,366,748	(681,863)
<b>Net Income / (Expenditure)</b>		(86,831)	1,579,657	-	1,492,826	(1,323,935)
Transfers between funds	19	475,000	(475,000)	-	-	-
<b>Net movement in funds for the year</b>		<u>388,169</u>	<u>1,104,657</u>	<u>-</u>	<u>1,492,826</u>	<u>(1,323,935)</u>
<b>Reconciliation of funds:</b>						
<b>Balances brought forward</b>		<u>48,304</u>	<u>6,039,332</u>	<u>-</u>	<u>6,087,636</u>	<u>7,411,571</u>
<b>Balances carried forward at 31<sup>st</sup> March 2021</b>	20	<u>436,473</u>	<u>7,143,989</u>	<u>-</u>	<u>7,580,462</u>	<u>6,087,636</u>

The notes on pages 21 to 31 form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.


# THE HOSPICE OF THE VALLEYS

## Balance sheet As at 31<sup>st</sup> March 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		1,656		3,185
Tangible assets	11		49,409		45,408
Investments	12		<u>7,065,799</u>		<u>5,986,484</u>
			7,116,864		6,035,077
<b>Current assets</b>					
Stocks	13	833		1,747	
Debtors	14	426,551		82,740	
Cash at bank and in hand		230,746		59,663	
Investment short term deposits		<u>1,713</u>		<u>1,712</u>	
		659,843		145,862	
<b>Liabilities:</b>					
<b>Creditors: amounts falling due within one year</b>	15	(194,455)		(81,337)	
<b>Net Current assets</b>			<u>465,388</u>		<u>64,525</u>
<b>Total assets less current liabilities</b>			<u>7,582,252</u>		<u>6,099,602</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(1,790)		(11,966)
<b>Total net assets</b>			<u>7,580,462</u>		<u>6,087,636</u>
<b>The funds of the charity</b>					
Unrestricted funds	17		436,473		48,304
Designated funds	18		-		-
Restricted funds	17		<u>7,143,989</u>		<u>6,039,332</u>
<b>Total charity funds</b>			<u>7,580,462</u>		<u>6,087,636</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the council of trustees on 19/01/21 and signed on its behalf by:

  
.....  
(Signed)

  
.....  
(Signed)

SUSAN VIDA KENT  
.....  
(Name)

ALAN HARRIS  
.....  
(Name)

Companies House Registered Number 2007005

## **THE HOSPICE OF THE VALLEYS**

### **Statement of Cash Flows for the year ended 31<sup>st</sup> March 2021**

	<b>Notes</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>			
Net cash (used in) operating activities	26	<u>(278,284)</u>	<u>(807,674)</u>
<b>Cash flows from investing activities</b>			
Interest from investments		49	115
Purchase of tangible/intangible fixed assets		(25,681)	(25,676)
Transfers from investments		475,000	730,000
Proceeds from disposal of fixed assets		-	-
<b>Net cash provided by investing Activities</b>		<u>449,368</u>	<u>704,439</u>
<b>Increase (decrease) in cash and cash equivalents in the year</b>		<b>171,084</b>	<b>(103,235)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>61,375</u>	<u>164,610</u>
<b>Total cash and cash equivalents at the end of the year</b>		<u><u>232,459</u></u>	<u><u>61,375</u></u>

# **THE HOSPICE OF THE VALLEYS**

## **Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2021**

### **1. Charity information**

The Hospice of the Valleys was incorporated in England and Wales as a company limited by guarantee with Companies House (registered number 2007005) and has no share capital. The Hospice of the Valleys was also registered with the Charity Commission (registered number 517724). The address of the registered office is Festival Drive, Ebbw Vale, Gwent, NP23 8XF.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

### **2. Accounting policies**

#### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The incorporated charity is registered in England and Wales.

#### **Going concern**

The charity produces annual budgets and forecasts which take into account expected changes in the funding streams and which demonstrate that the charity will be able to continue to operate. Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and are not aware of any material uncertainties regarding this assumption. On this basis, the trustees consider it appropriate to continue to prepare the financial statements on the going concern basis.

#### **Income**

All income is included in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The following specific policies are applied:

#### **Voluntary Income**

Voluntary income is income received by way of grants, gifts or donation. These are included in full on receipt unless it is subject to a condition when it is treated as deferred income.

#### **Gifts in Kind**

The value of services provided by volunteers is not quantified.

#### **Deferred Income**

Income or grants received in advance are held as deferred income and carried forward to future accounting periods to be released when the defined purpose of the work or project have been completed, approved or certified.

#### **Investment Income**

Investment income is included when receivable.

#### **Trading Income**

Trading income is recognised when earned.

# **THE HOSPICE OF THE VALLEYS**

## **Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2021**

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

### **Costs of Generating Funds**

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops.

### **Charitable Expenditure**

Charitable expenditure comprises those costs incurred by the charity in delivery of its activities and service for its beneficiaries. It includes the costs that can be attributed directly to those activities and those costs of an indirect nature necessary to support them.

### **Governance Costs**

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

### **Investments**

Listed fixed asset investments are included at fair value (quoted market price in an active market). All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

### **Fund Accounting**

- Restricted funds are to be used for specific purposes laid down by the donor. Expenditure which meets these criteria is allocated against the fund.
- Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes and are expendable at the discretion of the trustees in furtherance of the objects and administration of the charity.
- Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

### **Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are charitable objects

### **Operating leases**

Rentals applicable to operating leases where substantially all the risks and benefits of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

### **Financial instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised as transaction value and subsequently measured at their settlement value.

## **THE HOSPICE OF THE VALLEYS**

### **Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2021**

#### **Intangible fixed assets**

Software has been capitalised and amortised over its useful life of 5 years.

#### **Tangible fixed assets**

Fixed assets (excluding investments) are included at cost less an appropriate provision for depreciation. Items donated or purchased for a cost of less than £500 are not capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office Equipment	- 20% on cost
IT Equipment	- 33% on cost
Clinical Equipment	- 20% on cost
Shop Fixtures	- 20% on cost
Motor Vehicles	- 25% on reducing balance
Day Centre	- 20% on cost
Property Improvements	- Over period of lease

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Donated stock held at charity shops is not valued.

#### **Interest receivable**

Interest on funds held on deposit is included when receivable, and the amount can be measured reliably by the charity.

#### **Cash at bank and in hand**

Cash at bank and cash in hand includes current and short-term liquid deposit accounts with a short maturity.

#### **Debtors**

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

#### **Creditors**

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

#### **Pensions**

The charity contributes to a defined benefit scheme operated by the NHS. The charity also contributed to some employees' personal pension schemes.

The NHS scheme is a defined benefit scheme which is unfunded. This is a multi-employer pension scheme based on final pensionable pay, contributions being charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company. The charity accounts for the scheme as a defined contribution scheme and is not required to account for any of the assets or liabilities of the scheme in accordance with FRS102.

# THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2021

## 3. Donations and Legacies

	Unrestricted	Restricted	Designated	2021 Total	2020 Total
	£	£	£	£	£
Charitable Trusts	55,612	31,040	-	86,652	16,022
Voluntary Donations	63,941	-	-	63,941	47,854
Miscellaneous	3,893	8,410	-	12,303	27,292
Legacies	14,000	-	-	14,000	2,700
	<u>137,446</u>	<u>39,450</u>	<u>-</u>	<u>176,896</u>	<u>93,868</u>

## 4. Investment Income

	2021 £	2020 £
Dividends – UK equities	185,701	189,578
Interest on cash deposits within investment portfolio	-	-
Interest on fixed interest securities	27,173	26,552
Interest on current accounts	49	241
	<u>212,923</u>	<u>216,371</u>

## 5. Other Income

	2021 £	2020 £
Furlough	48,782	-
Retail grants	160,496	-
	<u>209,278</u>	<u>-</u>

## 6. Investment Management Costs

	2021 £	2020 £
Investment management fees	25,307	27,873
	<u>25,307</u>	<u>27,873</u>

## 7. Analysis of Charitable Expenditure

	Notes	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Clinical salaries and pensions		356,619	402,515	759,134	770,983
Social worker salaries and expenses		159,604	9,256	168,860	170,255
Drugs and clinical supplies		47	-	47	-
Clinic rent		-	-	-	-
Motor expenses		17,820	100	17,920	19,519
Clinic food and other costs		84	337	421	3,709
Clinical equipment maintenance		1,411	-	1,411	2,241
Telephone costs		3,975	-	3,975	4,097
Training		4,103	1,840	5,943	-
Recruitment		-	140	140	927
Clinical equipment depreciation		36	-	36	287
Equipment loss on disposal		-	-	-	-
Miscellaneous		1,939	3,464	5,403	120
Support costs	7	273,365	7,656	281,021	317,005
Governance		73,755	2,066	75,821	85,745
		<u>892,758</u>	<u>427,374</u>	<u>1,320,132</u>	<u>1,374,888</u>

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2021

### 8. Resources Expended – Allocation of Support Costs

Support costs allocated to activities	Basis of Allocation	Fund Raising £	Charitable Activities £	Governance £	2021 Total £	2020 Total £
General office and finance staff	Salary costs	38,892	166,513	44,926	250,331	248,634
Premises	Salary costs	11,473	49,122	13,253	73,848	74,383
Insurance	Salary costs	1,648	7,056	1,904	10,608	24,007
Communications	Salary costs	7,978	34,157	9,216	51,351	19,615
Legal & Professional	Salary costs	4,585	19,630	5,296	29,511	13,286
Depreciation	Salary costs	2,980	12,758	3,442	19,180	28,751
Motor Expenses	Salary costs	298	1,274	344	1,916	6,949
Miscellaneous	Salary costs	1,104	4,729	1,276	7,109	52,831
Irrecoverable vat	Salary costs	(3,321)	(14,218)	(3,836)	(21,375)	7,352
		<u>65,637</u>	<u>281,021</u>	<u>75,821</u>	<u>422,479</u>	<u>475,808</u>

### 9. Net income/(expenditure) for the year

This is stated after charging:

	2021 £	2020 £
Depreciation – owned assets	9,844	23,434
Depreciation – assets on finance	11,384	9,375
Amortisation	1,529	1,529
Auditor's remuneration	4,356	3,431
Accountants fees for other services	<u>4,984</u>	<u>9,855</u>

### 10. Intangible Fixed Assets

	Software £	Total £
<b>COST:</b>		
As at 1st April 2020	7,645	7,645
Additions	-	-
Disposals	-	-
As at 31st March 2021	<u>7,645</u>	<u>7,645</u>
<b>DEPRECIATION</b>		
As at 1st April 2020	4,460	2,931
Charge for year	1,529	1,529
Eliminated on disposal	-	-
As at 31st March 2021	<u>5,989</u>	<u>4,460</u>
<b>NET BOOK VALUE</b>		
As at 31 <sup>st</sup> March 2021	<u>1,656</u>	<u>3,185</u>
As at 31 <sup>st</sup> March 2020	3,185	4,714

## THE HOSPICE OF THE VALLEYS

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2021

### 11. Tangible Fixed Assets

	Office Equipment	Clinical Equipment	Shop Fixtures & Fittings	Motor Vehicles	Day Centre	Property Improvements	Total
	£	£	£	£	£	£	£
<b>COST:</b>							
As at 1st April 2020	90,333	18,008	4,030	26,582	12,528	89,007	240,488
Additions	25,681	-	-	-	-	-	25,681
Disposals	(24,432)	-	(2,167)	-	-	-	(26,599)
As at 31st March 2021	91,582	18,008	1,863	26,582	12,528	89,007	239,570
<b>DEPRECIATION</b>							
As at 1st April 2020	59,002	18,008	3,950	12,735	12,378	89,007	195,080
Charge for year	17,651	-	80	3,461	36	-	21,228
Eliminated on disposal	(23,980)	-	(2,167)	-	-	-	(26,147)
As at 31st March 2021	52,673	18,008	1,863	16,196	12,414	89,007	190,161
<b>NET BOOK VALUE</b>							
As at 31 <sup>st</sup> March 2021	38,909	-	-	10,386	114	-	49,409
As at 31 <sup>st</sup> March 2020	31,331	-	80	13,847	150	-	45,408

The net book value at 31<sup>st</sup> March 2021 represents tangible fixed assets used for:

	Office Equipment	Clinical Equipment	Shop Fixtures & Fittings	Motor Vehicles	Day Centre	Property Improvements
	£	£	£	£	£	£
<b>DIRECT CHARITABLE PURPOSES</b>						
Community Services	7,725	-	-	4,069	114	-
Other Purposes	-	-	-	-	-	-
Administration office	31,184	-	-	-	-	-
Fundraising	-	-	-	6,317	-	-
	38,909	-	-	10,386	114	-

### 12. Investments (including cash deposits)

	2021 £	2020 £
Market value as at 1 <sup>st</sup> April 2020	5,986,484	7,209,849
Disposals at carrying value (transfers to income)	(475,000)	(730,000)
Investment income	212,874	216,371
Investment costs charged and accrued	(25,307)	(27,873)
Net (loss)/gain on revaluation	1,293,053	(1,476,367)
Net (loss)/gain on disposals	73,695	794,504
Market value as at 31 <sup>st</sup> March 2021	7,065,799	5,986,484

# THE HOSPICE OF THE VALLEYS

## Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2021

### 12. Investments (including cash deposits) continued

Investments at market value comprised of:

	2021 £	2020 £
UK equities	2,577,905	1,536,144
Overseas equities	1,880,005	1,786,299
Cash deposits	262,912	177,095
UK fixed interest securities	1,483,697	1,725,927
Overseas fixed interest	-	-
Alternatives	858,013	757,159
	<u>7,062,532</u>	<u>5,982,624</u>
Income held in bank accounts	3,267	3,860
	<u>7,065,799</u>	<u>5,986,484</u>

### 13. Stocks

Merchandise for resale

	2021 £	2020 £
	833	1,747

### 14. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade Debtors	6,468	-
Other debtors	12,676	57,780
Prepayments and Accrued Income	407,407	24,960
	<u>426,551</u>	<u>82,740</u>

### 15. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	17,170	16,134
Accrued expenses	86,484	36,932
Deferred income	60,709	7,500
Other creditors	30,092	20,771
	<u>194,455</u>	<u>81,337</u>

### Deferred income

	2021 £	2020 £
Opening balance	7,500	17,500
Movement in period	53,209	(10,000)
	<u>60,709</u>	<u>7,500</u>

Deferred income represents income received from contributing agencies where the contribution was restricted to a fixed time period that extends beyond the current financial year. Income is deferred on the basis that the contribution was to the project as a whole, the time period of the project was fully disclosed to the contributing agencies and that time period is certain.

# THE HOSPICE OF THE VALLEYS

## Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2021

### Deferred income continued

The deferred income carried forward is analysed as follows:

	2021 £	2020 £
Aneurin Bevan University Health Board	26,357	7,500
Welsh Government	32,996	
Other	1,356	
	<u>60,709</u>	<u>7,500</u>

### 16. Creditors: amounts falling due after one year

	2021 £	2020 £
Other creditors	1,790	11,966
	<u>1,790</u>	<u>11,966</u>

### 17. Movements in funds

	At 01/04/20	Income (including gains)	Expenditure (including losses)	Net Transfers	At 31/03/21
	£	£	£	£	£
<b>Restricted funds</b>					
Robin Judah investment portfolio	5,986,484	1,579,622	(25,307)	(475,000)	7,065,799
Aneurin Bevan University Health Board	17,500	228,339	(228,339)	-	14,131
Welsh Government	-	45,404	(45,404)	-	-
Continuing Health Care	-	56,648	(56,648)	-	-
ABUHB – Hospice at Home	-	83,820	(83,820)	-	-
Other	35,348	40,294	(11,583)	-	64,059
	<u>6,039,332</u>	<u>2,034,127</u>	<u>(454,470)</u>	<u>(475,000)</u>	<u>7,143,989</u>
<b>Unrestricted funds</b>					
- general	48,304	1,231,267	(1,318,098)	475,000	436,473
- designated	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### Purposes of restricted funds

#### **Robin Judah Investment Portfolio**

This donation was given with the restriction that it could not be used for capital projects but is available for general running costs.

#### **Aneurin Bevan University Health Board (ABUHB)**

This funding is given to support specialist nurses and related costs. Further funding is given to support a Hospital Admissions Avoidance Project (HAAP) along with education funding.

#### **Welsh Government**

This fund is for NHS matched pension contributions.

#### **Continuing Health Care**

This funding is given to support specialist nurses and related costs.

#### **ABUHB – Hospice at Home**

This funding is given to support specialist nurses to provide palliative care through the hospice at home service.

#### **Other**

These funds relate to donations given specifically for the purchase of specific items, such as equipment for patients, clinic rent and for the social workers to spend at their discretion to help the families of patients who may be suffering financial difficulties.

## THE HOSPICE OF THE VALLEYS

### Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2021

#### 18. Designated Funds

	2021	2020
	£	£
Balance brought forward 1 <sup>st</sup> April 2020	-	150,000
Interest received for year	-	-
Transferred to unrestricted funds	-	(150,000)
	<u>-</u>	<u>-</u>
Balance carried forward 31 <sup>st</sup> March 2021	<u>-</u>	<u>-</u>

The designated fund was released in the previous year. It previously consisted of an 'emergency' fund of £50,000 to be used in the event of the charity having to be wound up, and a new premises fund of £100,000.

#### 19. Transfers Between Funds

The following transfer was made in the year:

- £475,000 is transferred from income and gains on the investment portfolio to be used for general running costs.

#### 20. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds
	£	£	£	£
Intangible fixed assets	1,656	-	-	1,656
Tangible fixed assets	35,278	14,131	-	49,409
Investments	-	7,065,799	-	7,065,799
Current assets	536,431	123,412	-	659,843
Current liabilities	(135,102)	(59,353)	-	(194,455)
Liabilities over 1 year	(1,790)	-	-	(1,790)
<b>Net assets at 31<sup>st</sup> March</b>	<u>436,473</u>	<u>7,143,989</u>	<u>-</u>	<u>7,580,462</u>
<b>2021</b>	<u>436,473</u>	<u>7,143,989</u>	<u>-</u>	<u>7,580,462</u>

#### 21. Analysis of staff costs and numbers, and the cost of key management personnel

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	1,203,863	1,211,989
Social security costs	108,473	109,204
Pension costs	89,636	89,265
	<u>1,401,972</u>	<u>1,410,458</u>

The charity considers that its key management personnel comprise the CEO, the Head of Finance and the Head of Clinical Services. The total employment benefits including employer pension contributions of the key management personnel were £151,950 (2020: £139,084).

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was 1 (2020: 1). This employees' emoluments fell within the £70,000 to £80,000 band.

## **THE HOSPICE OF THE VALLEYS**

Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2021

### **21. Analysis of staff costs and numbers, and the cost of key management personnel continued**

The average monthly number of employees during the year was as follows:

	<b>Total</b>	
	<b>2021</b>	<b>2020</b>
Hospice services	27.00	28.00
Fundraising and publicity (including shops)	7.00	6.00
Management and administration of the charity	8.00	14.92
	<u>42.00</u>	<u>48.92</u>

### **22. Trustees' Remuneration**

No members of the management committee received any remuneration or other payments during the year (2020: nil)

### **23. Related Party Transactions**

Income of £310,515 (2020: £317,119) has been received from Aneurin Bevan University Health Board, of which, P Robson (trustee) is a Special Board Advisor. During the year £195 (2020: £1045) was paid to Roseblade Media Limited, of which M Morris-Parker (trustee) is a Director.

	<b>2021</b>	<b>2020</b>
<b>24. Capital Commitments</b>	<u>Nil</u>	<u>Nil</u>
<b>25. Contingent liabilities</b>	<u>Nil</u>	<u>Nil</u>

### **26. Reconciliation of net movement in funds to net cashflow from operating activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net movement in income/ (expenditure)	1,492,826	(1,323,935)
Add back amortisation charge	1,529	1,529
Add back depreciation charge	21,228	32,809
Add back loss on disposal	452	-
(Gains)/losses on investments	(1,366,748)	681,863
Dividends and interest from investments	(212,923)	(216,485)
Investment charges accrued	25,307	27,873
Decrease (increase) in stocks	914	668
Decrease (increase) in debtors	(343,811)	(46,833)
Increase (decrease) in creditors	102,942	34,837
	<u>(278,284)</u>	<u>(807,674)</u>
<b>Net cash used in operating activities</b>	<b>(278,284)</b>	<b>(807,674)</b>
<b>Analysis of cash and cash equivalents</b>		
Net cash used in operating activities	<u>232,459</u>	<u>61,375</u>

## THE HOSPICE OF THE VALLEYS

### Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2021

#### 27. Pension Costs

Net pension costs of £89,636 (2020 - £89,265) were charged to the Statement of Financial Activities during the year. Included in other creditors at 31 March 2021 was £8,230 (2020 - £6,302) in relation to the personal schemes.

#### 28. Operating Lease Commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Within one year	81,243	20,833
Between two and five years	143,837	29,583
	<u>225,080</u>	<u>50,416</u>

**The following pages do not form part of the statutory accounts of the charity**

---

## THE HOSPICE OF THE VALLEYS

### Total Funds Income and Expenditure Account for the year ended 31<sup>st</sup> March 2021

	Unrestricted 2021 £	Restricted 2021 £	Unrestricted 2020 £	Restricted 2020 £
<b>Income:</b>				
Charitable trusts	55,612	31,040	14,022	2,000
Donations & legacies	77,941	-	50,554	-
NHS donations & grants	-	211,945	-	145,748
Sales of merchandise	93	-	542	-
Bank interest received	49	-	115	-
Investment income	-	212,874	-	216,371
Aneurin Bevan University Health Board	-	73,042	-	56,736
Events/community fundraising	151,414	844	173,890	-
ABUHB – Hospice at Home	-	83,820	-	92,172
Shop sales	157,266	-	304,310	-
Welsh Government	575,721	45,404	-	144,643
Furlough & Retail grants	209,278	-	-	-
Other	3,893	8,410	4,916	22,376
	<u>1,231,267</u>	<u>667,379</u>	<u>548,349</u>	<u>680,046</u>
<b>Expenditure</b>				
<b>Charitable activities</b>				
Clinical salaries	312,009	375,154	311,599	412,347
Clinical pensions	44,610	27,361	26,015	21,022
Social worker salaries	159,442	9,256	163,491	-
Social worker expenses	162	-	6,763	-
Drugs & clinical supplies	47	-	-	-
Clinic rent	-	-	-	-
Motor expenses	17,820	100	19,519	-
Clinic food & other costs	84	337	3,709	-
Clinical equipment maintenance	1,411	-	2,241	-
Doctors / nurses mobile phones	3,975	-	4,098	-
Training	4,103	1,840	-	-
Miscellaneous	1,939	3,464	927	120
Clinical equipment depreciation	36	-	287	-
Equipment loss on disposal	-	-	-	-
Recruitment	-	140	-	-
Support costs	273,365	7,656	314,523	2,482
	<u>819,003</u>	<u>425,308</u>	<u>853,172</u>	<u>435,971</u>

## THE HOSPICE OF THE VALLEYS

### Total Funds Income and Expenditure Account for the year ended 31<sup>st</sup> March 2021 continued

	Unrestricted 2021 £	Restricted 2021 £	Unrestricted 2020 £	Restricted 2020 £
<b>Fundraising &amp; Publicity</b>				
Salaries	98,253	-	119,223	-
Pensions	7,975	-	6,910	965
Motor expenses	3,837	-	4,235	-
Printing & stationery	903	-	1,396	-
Training	1,829	-	-	-
Merchandise for resale	1,492	-	1,055	-
Fundraising expenses	27,775	-	10,662	-
Events	490	-	28,340	-
Shop rental & costs	92,657	-	111,758	-
Retail salaries	118,460	-	96,743	-
Investment management fees and charges	-	25,307	-	27,873
Telephone	1,887	-	2,617	-
Shop fittings & vehicle depreciation	3,540	-	5,298	-
Database costs	2,394	-	2,568	-
Support costs	63,848	1,789	73,453	2,482
Loss on disposal of motor vehicle	-	-	-	-
	425,340	27,096	464,258	31,320
<b>Management &amp; Admin / Governance</b>				
Salaries	233,821	5,941	242,496	-
Pensions	10,569	-	5,483	4,964
Motor expenses	1,916	-	6,949	-
Telephone & postage	14,033	-	14,814	-
Printing & stationery	4,166	-	2,970	-
Insurance	10,607	-	10,705	-
Auditors remuneration	4,984	-	3,431	-
Accountants remuneration	4,356	-	9,855	-
Professional fees	3,542	-	-	-
Bank charges and interest	568	-	609	-
Miscellaneous	4,030	-	8,781	-
Office equipment depreciation	17,651	-	16,838	-
Property improvements depreciation	-	-	10,385	-
Software amortisation	1,529	-	1,529	-
Subscriptions	1,373	-	1,817	-
Rent and rates	66,296	-	65,492	-
IT expenses	25,044	5,569	24,749	-
Trade Team expenses	7,553	-	8,891	-
Office machine rental	2,538	-	1,831	-
Lease finance interest	1,139	-	1,458	-
Irrecoverable vat	(21,375)	-	7,352	-
Personnel services	16,629	-	27,286	-
	410,969	11,510	473,721	4,964
Allocation of support costs	(337,214)	(9,444)	(387,976)	(4,964)
	73,754	2,066	85,745	-
Transfer of funds	475,000	(475,000)	880,000	(730,000)
(Deficit)/ surplus of income over Expenditure	388,169	(262,091)	22,174	(517,246)

