

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Trustees	1
Reference and administrative details of the charity and advisers	2
Trustees' report	3 - 15
Independent auditors' report	16 - 18
Consolidated statement of financial activities	19
Consolidated balance sheet	20
Charity balance sheet	21
Consolidated statement of cash flows	22
Notes to the financial statements	23 - 45

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

Trustees

A Smith (resigned 26 September 2017)
S Sutherland
JA Coop
GH Bush
RG Pringle
BH Sweeney
PA Brennan (resigned 26 June 2018)
M Bryant
CM Durston
PG Serjeant
SJ Jackson
J Winslade
LA Murray
BA Turner (appointed 19 December 2017)

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2018**

Company registered number	02164215
Charity registered number	297798
Registered office	Dryden Road Exeter Devon EX2 5JJ
Company secretary	AC Randall FCCA
Chief executive officer	GM Atherton (retired 7 September 2018)
Independent auditors	Bishop Fleming LLP Chartered Accountants 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Bankers	National Westminster Bank Plc 59 High Street Exeter EX4 3DL
Website	www.hospiscare.co.uk

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Hospiscare (the charity) for the year ended 31 March 2018. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective from 1 January 2015.

OBJECTIVES AND ACTIVITIES

a. POLICIES AND OBJECTIVES

Hospiscare's vision is 'Hospice care for every person in need'.

We contribute to this vision by providing outstanding hospice care in our hospices and in the community. We apply our expertise to enable others to provide hospice quality care by providing education, advice and support. We engage with and influence our communities to cherish people approaching the end of their lives.

Hospice care includes pain and symptom control as well as emotional, psychological, social and spiritual support.

Hospiscare's services are delivered:

- In the community, by clinical teams who visit people in their homes, in nursing homes and in community hospitals.
- In the hospice in-patient unit for patients whose symptoms cannot be managed at home.
- Through a 24/7 telephone advice line.
- In the day care units at Searle House (Exeter hospice), at Pine Lodge in Tiverton and at Kings House in Honiton. Day services provide social, emotional and psychological support to patients and carers.
- In the acute hospital. Hospiscare's doctors work alongside colleagues in the Royal Devon and Exeter Hospital Foundation Trust (RDEFT) to provide specialist palliative care assessment and advice.
- Supportive care services are delivered in all settings and include care management to enable patients to return home, complementary therapies, spiritual support, carer support and bereavement care.

Hospiscare influences the quality of end of life care by providing specialist advice and education for health and social care practitioners and by contributing to the training of doctors and nurses.

Hospiscare is the sole provider of specialist palliative care to the communities of mid and east Devon and the city of Exeter. A map showing the area that Hospiscare serves can be found on the website.

Hospiscare Trustees and staff are guided in their decision-making by agreed core values. These can be found at www.hospiscare.co.uk

We receive a grant from the local CCG but most of our funding (81%) comes from our generous supporters in the local community. We are very aware that we need to spend this money wisely and well and are pleased that 89p in every £1 is spent on patient care.

b. STRATEGIES FOR ACHIEVING OBJECTIVES

Hospiscare reviews its strategic plan regularly and sets operational objectives, based on the plan, each year.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

A review of Hospiscare's model of care was carried out in 2014 and we have been implementing its recommendations. In January 2018 the Board of Trustees reviewed our progress in the light of changes in the health and social environment. They committed to continuing to provide more care closer to home, to working towards equal access to hospice care regardless of diagnosis, continuing to support people to live well until they die through day and supportive care services and ensuring Searle House remains a centre of expertise with facilities that are fit for the future.

The Trustees have considered the Charity Commission's guidance on public benefit and are confident that Hospiscare's strategic intentions and activities are congruent with its charitable purpose..

c. HOW OUR ACTIVITIES BENEFITED PATIENTS AND CARERS IN 2017-18

Hospiscare serves the residents of Exeter, mid and east Devon; a population of 378,000. This area is coterminous with the Eastern Locality of North, East and West (NEW) Devon Clinical Commissioning Group.

Patients are referred to Hospiscare by their GP, district nurse or by the RDEFT. Referral to Hospiscare enables a patient to access all of its services. Referral criteria can be found on the website.

2,392 patients were supported by Hospiscare in 2017-18, of these 1,523 were new patients. The total number of patients was 5.5% lower than the previous year and the number of new patients was 15% lower. We believe this reflects the change in practice by the RDEFT who choose to revert to an in-house specialist palliative care nursing team in August 2017. We are working closely with the hospital on a number of initiatives to increase access to palliative care, including a joint project for people diagnosed with heart failure.

In-patient Unit

Hospiscare's 12 bedded in-patient unit provides acute care for patients whose symptoms cannot be managed in a community setting. The complex nature of patients' needs means that each shift has at least two trained Registered General Nurses (RGN) on duty and, on the first shift of the day, the ratio of staff to patients is as high as 1:2 if patient dependency is high.

Hospiscare's multi-disciplinary team (MDT) meets every day to assess each patient's and family's needs. The MDT can include doctors, nurses, the chaplain, complementary therapists and medical students. The team also includes a discharge facilitator who helps people to get home by arranging packages of care.

Hospiscare provides accommodation for patients' families to stay at the hospice in its relatives' suite.

Hospiscare's medical team continues to in-reach to the RDEFT and in 2017-18, 35% of admissions were from the Trust. This figure remains very similar to the previous year, which was 37%.

286 patients were cared for in the hospice; they accounted for 310 admissions as some were admitted on more than one occasion. This is almost exactly the same number of patients as the previous year but slightly fewer (-7%) admissions. The average length of stay was 9 days. The 'throughput' or number of admissions per bed in the year was 26, compared to 29 in 2016/17. The reduction in admissions to the IPU may reflect the success of our Hospiscare@Home teams in enabling people to be cared for and die in their own homes but it is too early to reach this conclusion definitively.

Royal Devon and Exeter Foundation Trust Specialist Palliative Care Team

During 2017-18 Hospiscare provided the specialist palliative care medical support to the Royal Devon and Exeter Foundation Trust (RDEFT) via 6.6 sessions of palliative care consultant input.

Community Nursing

Hospiscare provides a community specialist palliative care nursing service 7 days a week between 8.30am and 5pm and an out of hours telephone advice line for patients and professionals. The advice line is open to any professional requiring palliative care advice.

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

Hospiscare employs 49 clinical staff in the community. These include nurse specialists, assistant practitioners and health care assistants who work in 5 team clusters throughout the area, and in two Hospiscare@Home teams in Seaton and in Exmouth and Budleigh Salteron. These teams are funded by partner charities.

These staff visit patients at home and offer clinical, spiritual, social and psychological support and expertise. They offer advice to other professionals including GPs and district nurses.

Hospiscare's community nurses supported 2,108 patients in 2017-18, this was 5% fewer than the previous year. They made 15,988 visits and 25,531 telephone calls to patients, carers and other professionals. 1,212 of these patients died during the year. 43% died in their own homes; 17% died at the hospice; 6% died in a community hospital; 17% of them died in the acute hospital and 17% died in care homes. These percentages for place of death are very similar to the previous year, except for a 4% reduction in deaths in community hospitals which probably reflects the significant reduction in community hospital beds. There has been corresponding small increases in deaths in the acute trust and care homes.

Hospiscare provides Hospiscare@Home in Seaton in partnership with Seaton Hospital League of Friends and, from June 2017, in Exmouth and Budleigh in partnership with local Hospiscare charities.

The Seaton Hospiscare@Home team supported 234 patients during the year, making 3130 home visits and 1,644 telephone calls. 174 of these patients died during the year, 86% of them in their usual place of residence, home or care home. The remaining 14% who died were almost equally divided between either a community hospital, the acute hospital or at the hospice.

The Coastal Cluster Hospiscare@Home team started in June 2017. In their first 9 months they supported 92 patients, making 1,089 home visits and 434 telephone calls. 71 of these patients died during the year; 86% of them in their usual place of residence, home or care home. 4% died in the acute hospital and 10% died in the hospice.

Day Hospice

Hospiscare provides day hospice services in three localities; at Searle House (Exeter hospice) and at our day hospices at Pine Lodge in Tiverton and Kings House in Honiton.

Day hospice provides patients with the opportunity to access a range of services including clinical review, advice on symptom control and medicine management. There are a range of group activities available which provide stimulation and social engagement and staff work with patients to explore self-management strategies. The day offers mutual support and friendship with people in a similar situation and gives families and carers a regular break. Complementary therapy, bathing and home cooked meals are available.

During 2017-18 Hospiscare developed a rehabilitative approach for day hospice patients, with an emphasis on goal setting and self-management. This has included regular review of patients' goals and individualised care planning. We have introduced yoga techniques to promote relaxation and pain relief; seated exercise classes and support to manage fatigue and breathlessness, as well as a creative arts workshops. Hospiscare continued to provide a specific day hospice offer, at its mid Devon day hospice (Pine Lodge), for palliative care patients with dementia. This is generously funded by the Phoebe Wortley-Talbot Charitable Trust.

Hospiscare offered 5,295 day care places for patients in 2017-18. There were 3,060 patient attendances (58% attendance). Unfortunately there is a high dropout rate because some patients are too unwell to attend on the day or have hospital appointments.

Supportive Care Services

These are services that support patients' emotional, spiritual and social needs and help them to live as well as possible to the end of their lives. Hospiscare provides:

- **Spiritual support** to patients and families by a full time chaplain and four volunteer assistant chaplains. Religious, spiritual and pastoral support is offered to patients, families, staff and volunteers. This includes in-

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

patients, day patients, bereavement groups and carers' groups. The chaplain also builds bridges with the community via conferences, day courses and working links with educational establishments. Other vital work includes building working relationships with non-Christian faith communities.

- **Complementary therapies** from one staff member who are supported by 18 approved volunteers. The team offers massage, reflexology, aromatherapy, reiki and Indian head massage. The team provide treatments to patients and carers in the community, in our 3 Day Hospices and in the in-patient unit.
- **Bereavement support** is offered to the relatives and carers of all the patients who die with Hospiscare. The volunteer bereavement team support carers and families throughout Exeter, mid and east Devon. The team are trained, supervised and coordinated by the chaplain.

Hospiscare has a partnership agreement with FORCE Cancer Care which enables Hospiscare to access counselling for patients and families with complex support needs. Hospiscare is also able to access financial advice for patients and families via FORCE's Citizens Advice service.

Quality Assurance

The quality of Hospiscare's clinical services is overseen by the Quality Assurance and Improvement Committee (QA&I).

This Committee is responsible for promoting the highest quality of care in all service settings. It ensures care is evidence based and meets national and local guidance. It reviews and seeks to improve patient experience through audits, compliments and complaints.

Hospiscare is registered with the Care Quality Commission under the Health and Social Care Act 2008. The CQC inspected last in March 2016. They rated Hospiscare's services as 'Outstanding', the highest rating available.

The CQC structure their inspection by addressing five key lines of enquiry; they consider whether the service is safe, effective, caring, responsive and well-led. They rated Hospiscare as being outstanding for effectiveness, caring, responsiveness, well-led and good for safety. They concluded that "The service provided outstanding end of life care and people were enabled to experience a comfortable, dignified and pain-free death in the place of their choice as much as possible."

Their report can be found here: http://www.cqc.org.uk/sites/default/files/new_reports/INS2-2444263199.pdf

Hospiscare produces an annual Quality Account which reviews the quality of its services and sets out priorities for improvement in the coming year. Hospiscare's Quality Account can be found on its website.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

a. HOW WE DELIVER OUR ACTIVITIES

Workforce

Hospiscare is able to deliver its activities because it has a committed and skilled workforce of staff and volunteers. It employs 197 whole time equivalent staff, which comprises 250 people, across the charity and the trading company, supported by 1,050 volunteers.

The Workforce Development Team consists of Learning and Development (including Clinical Education), HR and Volunteer Management. The team's priorities in 2017-18 were based on the first year of an organisation wide workforce plan.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

A key component of the team's work was to design and deliver an in-house leadership programme that combined leadership theory, personal reflection and practical 'how to' sessions. The programme was highly evaluated; more than 90% of the participants strongly agreed that it was effective in its delivery and learning outcomes. It was aimed at team leaders and departmental heads to develop their confidence in leading teams, managing change and risk management.

Learning and Development

Learning and Development is committed to ensuring that our own workforce is fit for purpose, now and in the future, and that we empower others locally to provide sensitive and skilled end of life care. Delivery of clinical skills and updates for our staff and for care partners such as nursing home teams, NHS and social care colleagues, carers and patients' family members, is via L&D team members and our Clinical Nurse Specialist team. This year the team's delivery included dementia awareness, Advanced Communication skills to nurses and doctors, syringe driver training, situation assessment using SBAR (situation, background, assessment, recommendation) and verification of death. A total of 1,200 places were filled by learners.

The team participates in the training for medical, nursing and therapy students who spend part of their practical rotation at the Hospice and has hosted regional training for Specialist Palliative Care Registrars.

The team delivers statutory and mandatory training to ensure the safe delivery of service and care at Hospiscare. Every job role has tailored basic training and updating requirements in place and compliance is monitored. 75% of staff have completed their statutory and mandatory training. The welcome day runs 4 times a year and 80% of all new staff attended this day. This day ensures new staff are aware of our values and services to enable them to become ambassadors for Hospiscare. A new and exciting 3 day train the trainer course was added to the L&D programme alongside an existing comprehensive training programme.

The team was successful in applying for a grant to deliver an Advanced Communication Train the Trainer programme, incorporating North Devon and Rowcroft into the funding bid.

HR

The HR team enables the workforce to be as effective as possible. The HR team support and coach line managers, as well as carrying out administrative functions efficiently to support employment contracts and changes, recruitment and the employee database. In 2017-18, the team supported three formal change processes, which included some restructuring making sure employees affected were treated with transparency and compassion. All of these processes went smoothly.

HR updated, reviewed and overhauled the majority of the main HR policies used by the workforce, writing them in user friendly language and including easy to follow procedures and processes. This in turn has helped the team to support employee relations cases swiftly and fairly with no adverse outcomes to Hospiscare.

A significant amount of work was done on recruitment, including introducing the use of assessment centres to recruit staff as the norm, which is having a positive impact on staff turnover. For example, in a traditionally high staff turnover area, our shops, this was 15%, compared to 23% the previous year.

Volunteering

Hospiscare would not be able to offer its range and quality of services without committed and dedicated support from more than 1,000 volunteers; their hard work, generosity of time, skills and high standards remain the hallmark of Hospiscare. They bring empathy and compassion mixed with a cheerful spirit and a 'can do' attitude. Many volunteers work alongside the nurses on the front line, from assisting patients at meal times to learning more about using patient equipment or understanding the impact of dementia in patient care.

Volunteers fundraise; working in shops and in support groups. They drive patients to appointments, welcome visitors to the hospice, keep the gardens trim and make floral arrangements, help with administration, and visit patients at home, offering emotional support and a listening ear. Volunteer complementary therapists and trained bereavement volunteers not only support patients but families and carers too. Hospiscare's Trustees make sure that Hospiscare is well governed and is meeting the needs of the local population.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

Very few of the tasks undertaken by volunteers are easy or straightforward. A kindly and well timed cup of tea at the bedside can prompt a challenging conversation – as can a journey to the hospice with a volunteer driver. On average volunteers give nearly 3,700 hours of their time every week to Hospiscare. This is equivalent to 98 full time posts. This represents an amazing £1.3 million of support each year.

In 2017-18, the volunteer Care Navigator role was embedded and rolled out further and we reached our planned numbers. This role includes early intervention with regular and sustained contact consisting of emotional and practical support, signposting to other relevant agencies and helping the patient to navigate the local health and social care system. Feedback from patients and their carers has been excellent, and the clinical team has valued this additional support provided with high levels of trust and professionalism.

Hospiscare's trustees are truly grateful for this incredible voluntary support which significantly enhances the experience of patients and families at Hospiscare.

Support Services and Facilities

Hospiscare's property portfolio has expanded over the years and the type of property we operate is very diverse; from a small high street shop, to a large warehouse and a 12 bed clinical in patient unit. The Estate team look after all of the buildings, including all the planned and reactive maintenance, as well as the health, safety and welfare for all of its staff, volunteers, patients and visitors.

One of the key targets for Hospiscare is to mitigate increasing energy costs and reduce carbon emissions, to that end we maintain a Biomass boiler at Searle House alongside PV panels at Searle House and Kings House in Honiton. We are also introducing a planned programme of LED lighting replacement throughout the Estate.

The increase in Information Technology and the general expansion of hardware and software in the organisation also forms a large part of the departments workload; the Estates team manage the outsourced I.T service as well as helping to deliver the key elements of the I.T strategy including; equipment replacement, cabling infrastructure upgrade, cyber security improvements and successful tenders for a replacement electronic patient record software and telephone system for all sites.

Income Generation

Hospiscare has continued to benefit from incredible support from individual donors, local businesses and charitable trusts in the last year. The hospice is extremely grateful for each and every donation and would like to take this opportunity to say thank you to anyone who has donated.

Hospiscare is very lucky to have 11 established fundraising groups, who work tirelessly raising money by organising fundraising events or collecting donations. They collectively raised an amazing £195k in 2017-18.

Individuals support us in many ways but events and challenges remain popular. These activities raised over £254k in 2017-18, although 15% down on 2016-17 as we had less uptake for the Twilight walk. The Men's walk was a sell out event and more people raised funds by taking on personal challenges like the London Marathon and Great Wall of China Trek.

Individual donations decreased slightly on 2016-17, as did In-Memoriam donations (£339k to £282k).

In 2017-18 income from legacies was £1,318k which is down by £523k on the previous year. Those who remember Hospiscare in their Will are an incredible support to the charity. We are hugely grateful for all legacy donations - no matter how large or small they all allow the charity to sustain its charitable aims of caring for people with a terminal illness.

Local businesses have been very generous during 2017/18. Hospiscare has benefited from a number of charity of the year partnerships and corporate donations resulting in an income of £155k. Businesses have not only raised income but also generated gifts in kind, provided volunteers, events participants, lottery players and shared resources or knowledge.

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

Income from charitable trusts and foundations has grown from £168k in 2016/17 to £217k in 2017/18. We are so grateful to all who have supported Hospiscare and enabled new enhanced services to be delivered, improving care for patients and their families.

The total voluntary income in 2017/18 was £2,956k (excluding trading income) which is a magnificent sum and a tribute to all of our supporters.

Customers visiting Hospiscare shops have contributed to income from our trading activities, growing by £380k during 2017/18, to £3,511k, making a net contribution of £502k to the charity. This is slightly up on the previous year's result (£498k), despite increased costs such as rent, maintenance and IT during 2017/18.

Shops sales increased by 13% against last year, due to the wonderful support from local shoppers with better performance in most of our shops and an increase in online shopping. New shops now take the total number of Hospiscare retail outlets up to 21.

Online sales have continued to grow. Turnover increased by 10% to £405k on the previous year. We have also increased income from recycling through finding ways to recycle more goods and sell on items which don't sell as well in Hospiscare shops.

Thanks to donations from the local community electrical sales grew from £171k to £205k this year.

Our House Clearance service continues to grow. The service is well loved by local people and has an excellent reputation. The donated goods we acquire through the House Clearance service are vital to the success of the shops. We are grateful to all of our donors and customers for their continued support.

Lottery subscribers and those purchasing tickets in our shops generated an income in 2017/18 of £575k, up 8.3% from 2016/17. The number of subscribers is growing steadily thanks to the canvassing activity at high street venues.

Hospiscare takes pride in the way we raise funds to enable us to provide patient care. We are a member of the Fundraising Regulator, follow the Fundraising Code of Practice and we are registered with the information Commissioner's Office.

Hospiscare also has a supporter promise (see below).

We promise:

- To spend your money responsibly and provide outstanding care for terminally ill patients and their families.
- To provide a friendly and honest approach by sharing stories of our work to demonstrate how your money has been spent.
- To communicate in a way that suits you. You decide whether you want to receive information about our services, fundraising and ways to support, and you decide how you want this delivered. So let us know your preferences, and if at any time you change your mind, please call 01392 688020 or email info@hospiscare.co.uk
- To never sell your data to any third party. Hospiscare values your support and respects your privacy. The data we gather and hold is managed in accordance with the Data Protection Act (1998).
- To be supportive, professional and aim to deal with enquires as quickly as we can. We aim to get it right first time, and if we don't we will explain why.
- To use fair and safe fundraising methods and ensure everyone is treated in a sensitive, respectful way.
- To listen to your opinions and make necessary improvements to our work. We want to make sure we are working at our best and are very grateful for feedback. Please email info@hospiscare.co.uk or call 01392 688020 if you have any compliments or complaints.

b. WHAT WE PLANNED TO DEVELOP AND CHANGE; WHAT WE ACHIEVED AND WHAT WE STILL NEED TO DO

During 2017/18 Hospiscare's Trustees set the following objectives and this is how they have been progressed.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

- 1. Continue to extend the Hospiscare@Home service as finances allow**
Hospiscare@Home was extended to Exmouth and Budleigh Salterton (a combined estimated population of 48,200) from June 2017 thanks to funding from Budleigh and District Hospiscare and Exmouth and Lypstone Hospiscare. The new team of 8 nurses supported 92 patients during this period. 86 % died in their usual place of residence, home or care home.
- 2. Extend reach to more people with a life threatening illness**
Thanks to support from Dementia UK Hospiscare employed the first specialist palliative care Admiral Nurse in the south west to support people with complex conditions including dementia.

Hospiscare was successful in achieving a grant from St James Place Foundation (via Hospice UK) to extend its services to patients with heart failure. In January 2018 it launched its 'Heart to Heart' programme, in partnership with the RDEFT, which provides education for people with life-limiting heart failure and their carers.
- 3. Further broaden services at our three Day Hospices**
During the year a new range of activities have been introduced including relaxation based on yoga techniques for pain and symptom relief, seated exercise, a fatigue and breathlessness programme, drop-in coffee morning and a film club.
- 4. Review facilities in Exeter to ensure they are fit for the future**
Exploratory conversations have begun about updating and extending the hospice building but this is expected to be long-term project.
- 5. Develop income generation to meet the charity's ambitions**
The charity has continued to develop its income generation activity, opening one new shop in Heavitree and continuing to invest in selling our donated items online via Ebay and Amazon The team was diverted from fundraising, to some extent during 2017/18, because of the need to prepare for GDPR.
- 6. Further improve responsiveness to patients through the use of technology**
We have continued to roll out our 3 year (2016-2019) IT strategy focussing on updating hardware and connectivity in 2017 and beginning planning to move to a new electronic patient record.
- 7.** The Trustees reviewed Hospiscare's approach to the General Data Protection Regulation, due to take effect in May 2018, and put in place a range of measures to ensure compliance with it.
- 8.** The Trustees updated Hospiscare's Safeguarding Policy and Procedures and put in place revised training for staff and volunteers.

c. STRATEGIC INTENTIONS 2018-19

Our vision is Hospice care for every person in need

Our strategic intentions for 2017-20 are to:

Provide outstanding hospice care in our hospices and in the community, drawing on our expertise to

Enable others to provide hospice quality care through education, advice and support

Engage with and influence our communities to cherish people approaching the end of their lives.

To achieve these objectives Hospiscare's Board of Trustees agreed their strategic priorities during 2018-19 are to:

1. Provide more care closer by extending Hospiscare@Home services as finances allow
2. Promote equal access to hospice by extending our reach to more people with life threatening illness
3. Support more people to live well until they die by engaging with communities through our day hospices, volunteer care navigators and supporting carers and the bereaved.

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

4. Maintain a hub of expertise with facilities that are fit for the future
5. Develop income generation to meet the charity's ambitions
6. Develop a multi-skilled and flexible workforce
7. Further improve responsiveness to patients through technological solutions.

d. WORKING WITH OTHERS

Hospiscare works with a number of partners in the statutory and voluntary sectors. This includes networking with neighbouring hospices.

The charity works closely with its partner Hospiscare charities in Exmouth and Lympstone, Budleigh Salterton and District and Sidmouth. These charities fund the community nurses that Hospiscare employs in these areas and they contribute to other services, including the new Hospiscare@Home service in Exmouth and Budleigh Salterton.

Hospiscare provides the staffing for the Hospiscare@Home service, which is funded by the Seaton Hospital League of Friends.

Hospiscare works closely with the RDEFT, providing the specialist palliative care medical input to the hospital; working together on our programme to support people living with heart failure and taking 35% of admissions to our IPU from the hospital.

The charity supports the Exeter Medical School through providing placements for year 4 medical students at the hospice and its clinicians meet significant teaching commitments at the School for which the charity is paid.

Hospiscare is a member of Hospice UK and values its advice and support.

The charity has strong links to the local business community and is a member of Exeter Chamber of Commerce and Exeter University's Business Leaders Forum.

FINANCIAL REVIEW

a. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. FINANCIAL RESULTS

For the year the consolidated statements show an operational deficit of £568k in total funds before net gains or losses on investments. This compares to a deficit of £17k in 2016-17.

The total incoming resources received and generated during the year was £8.8m (2016-17: £8.9 m). Continuing funding from NHS Devon represents 22% of this year's total funding (excl Trading). The remaining balance was from fundraising activities, donations, legacies and from Hospiscare's trading operations.

Running costs accounted for £9.5m (2016-17: £8.9m) in the current year.

c. RESERVES MANAGEMENT

The Reserves Management Policy is based on an annual assessment of the risk of each income stream not performing as expected, using a model devised by Sayer Vincent, a firm of accountants who operate extensively within the charity field. The general reserves target is then set at 18 months 'at risk' income, which the trustees believe will enable the current activities to continue in the event of a significant drop in funding. Trustees are

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

advised regularly about the level of general reserves using a 'traffic lights' approach.

The minimum level of unrestricted 'free' general reserves is set at £2.5m. Above that a stability band of £650k is considered desirable. Thereafter, general reserves are considered to be available for development purposes. At 31 March 2018, general reserves amounted to £3.9m (i.e. in the development band) (2017 - £4.4m – in the development band).

Unrestricted designated reserves amounted to £5.1m (2017 - £5.2m).

Restricted reserves amounted to £0.3m (2017 - £0.4m)

Endowment funds amounted to £0.02m (2017 - £0.02m).

d. PRINCIPAL SOURCES OF FUNDING

The charity's principal sources of funding are:

	2017/18	2016/17
	£'000	£'000
Fundraising, grants (inc. Gift Aid)	1,638	1,663
Legacy income	1,318	1,841
Trading profits from shops and lottery	502	498
NEW Devon CGC	1,163	1,163
Coastal Towns Homecare Services	974	731
Other charitable income	161	213
Investment and other income	122	118
	<u>5,878</u>	<u>6,227</u>

The charity's expenditure comprised:

Charitable activities	5,727	5,478
Fundraising (exc. trading costs)	719	766
	<u>6,446</u>	<u>6,244</u>
Net expenditure	<u>(568)</u>	<u>(17)</u>

e. FUTURE INCOME STREAMS

The charity continues to be prudent; recognising that economic growth remains fragile.

The charity anticipates that its income will be under pressure for the foreseeable future. Greater legislation in fundraising regulation and enhanced data protection regulation may also deter the public from supporting charities to the same degree that might have been experienced in the past.

The directors of the trading company continue to look at other avenues for increasing income through commercial activities.

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The charity is a registered charitable company limited by guarantee.

The charity is constituted under Articles of Association and is a registered charity number 297798. The charity was set up in 1982 and was established as a company limited by guarantee in 1987. In the event of the company being wound up, members are required to contribute an amount of £1.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The Board seeks to ensure that it encompasses an appropriate range of skills and talent. Hospiscare's Nominations Committee oversees the recruitment of new trustees, following the charity's policy on trustee recruitment. Trustees are appointed by the Board and serve for 3 years after which period they may put themselves forward for re-appointment. Trustees may be appointed for a maximum of 3 consecutive terms of 3 years after which, they must stand down for at least one year.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

New trustees are given an induction pack and undertake a comprehensive induction programme. This includes spending time with each of the services Hospiscare provides and visiting the shops. Trustees identify topics on which they would like further information or training and Board briefings are held on these topics for an hour prior to Board meetings. In 2017-18 these briefings included presentations on promoting gifts in wills, the General Data Protection Regulation (GDPR), Hospiscare Retail and funerals. A presentation about patient experience is made by clinical staff, anonymously, at the beginning of every Board meeting.

d. PAY POLICY FOR SENIOR STAFF

The Charity has a Remuneration Committee, which reviews the pay and benefits of its senior staff annually. The committee comprises of up to six trustees, one of which must be the Chair of Trustees. The committee considers information from a variety of available sources in order to benchmark the pay and benefits of its senior staff and makes recommendations to the Board accordingly.

e. ORGANISATIONAL STRUCTURE AND DECISION MAKING

Hospiscare is governed by a Board of Trustees which met 5 times during 2017-18, including an 'away day' in January 2018. There are 6 sub committees of the Board which scrutinise specific areas in detail; these are the Finance Committee, the Assurance, Risk and Corporate Governance Committee, the Quality Assurance and Improvement Committee, the Operations Committee, the Nominations Committee and the Remuneration Committee. In addition a trustee representative attends the Staff Council.

The Chairman of the trustees is Geoff Pringle. He was appointed in 2016 following a robust recruitment and selection process. He joined Hospiscare following retirement as Chief Operating Officer for the University of Exeter. The trustees who have served during the year and since year end are set out on page 1.

The operational management of the charity lies with the Senior Management Team (SMT) which is led by Glynis Atherton, Chief Executive. The SMT meets monthly.

There is a separate trading Company which operates 21 shops.

Hospiscare has reviewed the 2017 Charity Governance Code and aspires to meet its principles.

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

f. RISK MANAGEMENT

The corporate risk register is reviewed quarterly by the Assurance, Risk and Corporate Governance Committee and annually by the Board of Trustees. Departmental risks are reviewed by the appropriate sub-committee and by the SMT. The trading company has its own risk register. Hospiscare commissioned a review of its approach to risk management in 2017 and is implementing the recommendations which will produce a more strategic approach.

As part of this review the Hospiscare's Board of Trustees have considered risk appetite and recognise that the charity's long term sustainability depends upon the delivery of its strategic objectives and its relationships with patients, supporters, the local community and strategic partners.

Hospiscare will not accept risks that materially impact on patient safety. However Hospiscare has a greater appetite to take considered risks in terms of their impact on organisational issues and reputation. Hospiscare has appetite to pursue innovation and to take opportunities where positive gains can be anticipated, within the constraints of the regulatory environments.

Hospiscare is compliant with all relevant legal, statutory and regulatory standards. It has followed Charity Commission guidance and reviewed its safeguarding policy and procedures. The Acting Director of Clinical Services is Hospiscare's Caldicott Guardian.

It has updated its information governance and security in line with the General Data Protection Regulation (GDPR).

INVESTMENT POLICY AND PERFORMANCE

a. ASSET ALLOCATION

Hospiscare is reliant on fundraising and donations for its activities. Investment assets are held as reserves. The key risk to long term reserves is inflation, and the assets are invested to mitigate this risk over the long term. The trustees understand that this is likely to mean that investments will be concentrated in real assets and that their capital value will fluctuate.

The investment portfolio is split into risk profiles, with the ratio and profile reviewed and monitored by the Finance Committee, and approved by the Board. The risk profile is determined to mitigate the key risk of inflation.

Short term reserves are held to provide financial security, and may be required at short notice. As such, capital volatility cannot be tolerated and these assets are maintained in cash with highly-rated financial institutions.

The Charity's assets can be invested widely and should be diversified by asset class, by manager and by security. Asset classes may include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset that is deemed suitable for the Charity.

The asset class will be decided by the external professional investment manager according to the risk profile agreed by the Board.

BENCHMARK

Performance of the portfolio(s) will be measured against an agreed index plus a performance premium. The indices used and the performance premium will be reviewed by the Finance Committee, in discussion with the appointed investment manager. A recommendation will then be made to the Board for approval.

METHOD OF REVIEW

The trustees have delegated their day to day investment responsibilities to Charles Stanley and Company

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

Limited on a discretionary basis. Hospiscare's investments are kept under regular review by Hospiscare's Finance Committee, advised by Charles Stanley and Company Limited, with a view to ensuring that the charity's investments are positioned to meet the strategy detailed in the investment policy. The Board considers a report on investment performance at least annually.

RESTRICTIONS AND ETHICAL POLICY

The trustees endeavour to exclude exposure to any investments in companies that draw a major part of their income from tobacco related products.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

This report was approved by the Trustees, on 25 September 2018 and signed on their behalf by:

Geoff Pringle, Chairman

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOSPISCARE

OPINION

We have audited the financial statements of Hospiscare (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2018 set out on pages 19 to 45. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

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 auditors' 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOSPISCARE

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Group strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Group strategic report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Group strategic report.

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

- the parent charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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 trustees' responsibilities statement, the Trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOSPISCARE

AUDITORS' 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 auditors' 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.

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

Tim Borton FCA DChA (senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS
16 October 2018

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	Note	Endowment funds 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	3	-	311,470	2,644,590	2,956,060	3,503,774
Charitable activities	5	-	-	2,298,660	2,298,660	2,107,497
Fundraising activities	4	-	-	3,511,326	3,511,326	3,131,697
Investments		-	-	101,338	101,338	94,817
Other income		-	-	20,433	20,433	23,535
TOTAL INCOME AND ENDOWMENTS		-	311,470	8,576,347	8,887,817	8,861,320
EXPENDITURE ON:						
Raising funds	4,6	-	-	3,728,567	3,728,567	3,399,980
Charitable activities	10	-	362,030	5,364,755	5,726,785	5,478,391
TOTAL EXPENDITURE	10	-	362,030	9,093,322	9,455,352	8,878,371
NET EXPENDITURE BEFORE INVESTMENT GAINS/(LOSSES)						
		-	(50,560)	(516,975)	(567,535)	(17,051)
Net gains/(losses) on investments	16	-	-	(44,250)	(44,250)	325,712
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		-	(50,560)	(561,225)	(611,785)	308,661
NET MOVEMENT IN FUNDS						
		-	(50,560)	(561,225)	(611,785)	308,661
RECONCILIATION OF FUNDS:						
Total funds brought forward		20,000	389,392	9,580,681	9,990,073	9,681,412
TOTAL FUNDS CARRIED FORWARD		20,000	338,832	9,019,456	9,378,288	9,990,073

The notes on pages 23 to 45 form part of these financial statements.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 02164215

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	15		4,612,636		4,804,287
Investments	16		4,180,979		3,652,236
			<u>8,793,615</u>		<u>8,456,523</u>
CURRENT ASSETS					
Stocks		24,019		20,488	
Debtors	17	870,201		508,323	
Cash at bank and in hand		360,103		1,675,519	
		<u>1,254,323</u>		<u>2,204,330</u>	
CREDITORS: amounts falling due within one year	18	(550,910)		(563,733)	
			<u>703,413</u>		<u>1,640,597</u>
NET CURRENT ASSETS			<u>703,413</u>		<u>1,640,597</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,497,028</u>		<u>10,097,120</u>
Provisions for Liabilities	19		(118,740)		(107,047)
NET ASSETS			<u><u>9,378,288</u></u>		<u><u>9,990,073</u></u>
CHARITY FUNDS					
Endowment funds	20		20,000		20,000
Restricted funds	20		338,832		389,392
Unrestricted funds	20		9,019,456		9,580,681
TOTAL FUNDS			<u><u>9,378,288</u></u>		<u><u>9,990,073</u></u>

The financial statements were approved and authorised for issue by the Trustees on 25 September 2018 and signed on their behalf, by:

Geoff Pringle, Chairman

The notes on pages 23 to 45 form part of these financial statements.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 02164215

CHARITY BALANCE SHEET
AS AT 31 MARCH 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	15		4,546,294		4,718,810
Investments	16		4,290,981		3,762,238
			<u>8,837,275</u>		<u>8,481,048</u>
CURRENT ASSETS					
Debtors	17	773,842		747,806	
Cash at bank and in hand		235,728		1,213,631	
		<u>1,009,570</u>		<u>1,961,437</u>	
CREDITORS: amounts falling due within one year	18	(417,018)		(412,261)	
NET CURRENT ASSETS			<u>592,552</u>		<u>1,549,176</u>
NET ASSETS			<u>9,429,827</u>		<u>10,030,224</u>
CHARITY FUNDS					
Endowment funds	20		20,000		20,000
Restricted funds	20		338,832		389,392
Unrestricted funds	20		9,070,995		9,620,832
TOTAL FUNDS			<u>9,429,827</u>		<u>10,030,224</u>

The financial statements were approved and authorised for issue by the Trustees on 25 September 2018 and signed on their behalf, by:

Geoff Pringle, Chairman

The notes on pages 23 to 45 form part of these financial statements.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22.	<u>(749,694)</u>	<u>509,113</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		101,338	94,817
Purchase of tangible fixed assets		(94,067)	(350,842)
Proceeds from sale of investments		432,579	926,094
Purchase of investments		<u>(1,005,572)</u>	<u>(1,076,214)</u>
Net cash used in investing activities		<u>(565,722)</u>	<u>(406,145)</u>
Change in cash and cash equivalents in the year		(1,315,416)	102,968
Cash and cash equivalents brought forward		<u>1,675,519</u>	<u>1,572,551</u>
Cash and cash equivalents carried forward		<u><u>360,103</u></u>	<u><u>1,675,519</u></u>

The notes on pages 23 to 45 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Hospiscare 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.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

1.2 COMPANY STATUS

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. 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.

1.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Income from grants is included in incoming resources when receivable. When donors specify that grants are for a particular restricted purpose, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources within restricted funds when receivable.

When income is received in advance of delivering the service it is deferred until the Trust is entitled to that income.

Investment income is brought into the accounts when it is received.

1.5 LOTTERY INCOME

Lottery income is accounted for based on the date of the lottery for which the ticket has been purchased.

1.6 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Hospiscare and its subsidiary undertaking.

The charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account.

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £2,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold Buildings	-	2% straight line
Leasehold Land & Buildings	-	2% straight line or over the term of the lease
Plant and machinery	-	20% straight line
Motor Vehicles	-	20% straight line
Equipment, Fixtures & Fittings	-	15-33% straight line

1.8 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.9 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the statement of financial activities.

- (i) **Subsidiary undertaking**
Investment in the subsidiary undertaking is valued at cost less provision for impairment.
- (ii) **Donated investments**
These are initially accounted for at market value at the date of receipt. This valuation is included in the income and expenditure account under donations.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.10 OPERATING LEASES

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

1.11 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

FRS 102 recommends that goods donated for resale are valued. However, estimating the fair value of donated goods for resale is impractical for the company because of the high level of low value items received. The Directors have therefore determined that no meaningful valuation can take place.

1.12 INTEREST RECEIVABLE

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

1.13 DEBTORS

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

1.14 CASH AT BANK AND IN HAND

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

1.15 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.16 FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.17 PENSIONS

All staff who are eligible to remain within the NHS Pension Scheme do so. The NHS Pension Scheme is an unfunded, multi-employer defined benefit pension scheme. The company, like similar employers in this sector, is unable to identify its share of the underlying assets and liabilities in the scheme and therefore, as required by FRS 102, accounts for this scheme as if it was a defined contribution scheme. Contributions are paid to the scheme by the group and by employees.

Additionally the group operates a further defined contribution pension scheme for other regular staff. The pension charge represents the amounts payable by the group to the fund in respect of the year.

1.18 DILAPIDATIONS

Provisions for dilapidations relating to the leased properties are recognised on a lease by lease basis and are based on the Trustees' best estimate of the likely committed cash outflow, with the provision accruing over the life of the lease.

2. JUDGMENTS IN APPLYING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Useful economic lives of tangible assets

The annual depreciation charge is sensitive to any changes in the estimated useful life and residual values of tangible assets. The useful economic lives and residual value is assessed on an annual basis and are amended only when evidence shows a change in the estimated economic lives or residual life. Criteria used to assess the economic life and residual value includes technological advancement, economic utilisation, physical condition of the asset and future investments.

Dilapidations

The dilapidation provision is considered on a lease by lease basis. It is a proportion of annual rent and accrued over the life of the lease. The proportion has been based on previous experience upon vacation of properties within the Group.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

3. INCOME FROM DONATIONS AND LEGACIES

	Endowment funds 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations and fund raising	-	95,514	1,029,947	1,125,461	1,186,021
Legacies	-	10,200	1,308,196	1,318,396	1,841,306
Grants	-	205,756	235,465	441,221	382,541
Gift Aid	-	-	70,982	70,982	93,906
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	-	311,470	2,644,590	2,956,060	3,503,774
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2017	-	125,546	3,378,228	3,503,774	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

4. FUNDRAISING ACTIVITIES

	Endowment funds 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
CHARITY INCOME					
Hospiscare Shops	-	-	2,936,622	2,936,622	2,601,215
Lottery	-	-	574,704	574,704	530,482
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	3,511,326	3,511,326	3,131,697
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
FUNDRAISING EXPENSES					
Hospiscare Shops	-	-	2,689,942	2,689,942	2,333,819
Lottery	-	-	319,017	319,017	299,648
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	3,008,959	3,008,959	2,633,467
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net income from fundraising activities	-	-	502,367	502,367	498,230
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2017, all income and expenditure from fundraising activities was unrestricted.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

5. INCOME FROM CHARITABLE ACTIVITIES

	Endowment funds 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	-	-	145,682	145,682	123,937
NEW Devon CCG	-	-	1,163,064	1,163,064	1,163,064
Coastal Towns Homecare Services	-	-	974,393	974,393	730,527
Hospital Team	-	-	15,521	15,521	89,969
	<u>-</u>	<u>-</u>	<u>2,298,660</u>	<u>2,298,660</u>	<u>2,107,497</u>
	<u>-</u>	<u>-</u>	<u>2,107,497</u>	<u>2,107,497</u>	
Total 2017	<u>-</u>	<u>-</u>	<u>2,107,497</u>	<u>2,107,497</u>	

6. COSTS OF RAISING FUNDS

	Endowment funds 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from donations and legacies direct costs	-	-	164,432	164,432	204,971
Income from donations and legacies direct staff costs	-	-	370,386	370,386	402,390
Support costs - Fundraising	-	-	184,790	184,790	159,152
	<u>-</u>	<u>-</u>	<u>719,608</u>	<u>719,608</u>	<u>766,513</u>
	<u>-</u>	<u>-</u>	<u>766,513</u>	<u>766,513</u>	
Total 2017	<u>-</u>	<u>-</u>	<u>766,513</u>	<u>766,513</u>	

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. ANALYSIS OF DIRECT AND SUPPORT COSTS EXPENDED BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
In Patient Unit	1,959,305	796,866	2,756,171	2,811,092
Community Nursing Services	1,733,517	569,573	2,303,090	1,982,366
Day Care Services	292,807	98,837	391,644	312,758
RD&E Hospital Team	35,498	49,417	84,915	207,954
Education	121,747	69,218	190,965	164,221
	<u>4,142,874</u>	<u>1,583,911</u>	<u>5,726,785</u>	<u>5,478,391</u>
Total 2018	<u>4,142,874</u>	<u>1,583,911</u>	<u>5,726,785</u>	<u>5,478,391</u>
Total 2017	<u>3,950,276</u>	<u>1,528,115</u>	<u>5,478,391</u>	

8. DIRECT COSTS

	In Patient Unit	Community Nursing Services	Day Care Services	RD&E Hospital Team
Medical Supplies	38,079	11,527	1,307	-
Bank Nurse	87,269	51,836	10,673	2,117
Travel Expenses	40,906	43,281	3,142	856
Other Direct Costs	64,436	67,478	68,641	1,126
Administration & Overheads	29,373	1,020	19,994	-
Wages and salaries	1,419,083	1,312,919	158,958	17,644
National insurance	136,175	116,878	14,193	9,285
Pension cost	143,984	128,578	15,899	4,470
	<u>1,959,305</u>	<u>1,733,517</u>	<u>292,807</u>	<u>35,498</u>
Total 2017	<u>1,962,225</u>	<u>1,494,287</u>	<u>227,795</u>	<u>165,471</u>

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

8. DIRECT COSTS (continued)

	Education	Total 2018	Total 2017
Medical Supplies	198	51,111	38,587
Bank Nurse	1,968	153,863	109,508
Travel Expenses	2,155	90,340	87,791
Other Direct Costs	14,279	215,960	206,120
Administration & Overheads	22,906	73,293	67,179
Wages and salaries	68,980	2,977,584	2,905,825
National insurance	5,668	282,199	262,433
Pension cost	5,593	298,524	272,833
	<u>121,747</u>	<u>4,142,874</u>	<u>3,950,276</u>
Total 2017	<u>100,498</u>	<u>3,950,276</u>	

9. SUPPORT COSTS

	Basis of Allocation	Fundraising costs £	In Patient Unit £	Day Care Services £	Day Care Services £
Administration & Overheads	Staff numbers	51,799	214,946	153,637	26,660
Catering	Staff numbers	3,810	16,493	11,789	2,046
Governance costs	Staff numbers	-	3,443	2,460	427
Wages and salaries	Staff numbers	88,424	382,759	273,584	47,474
National insurance	Staff numbers	9,691	41,948	29,983	5,203
Pension cost	Staff numbers	5,952	25,764	18,415	3,196
Depreciation	Staff numbers	25,114	111,513	79,705	13,831
		<u>184,790</u>	<u>796,866</u>	<u>569,573</u>	<u>98,837</u>
Total 2017		<u>159,152</u>	<u>848,867</u>	<u>488,079</u>	<u>84,963</u>

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

9. SUPPORT COSTS (continued)

	RD&E Hospital Team £	Education £	Total 2018 £	Total 2017 £
Administration & Overheads	13,330	18,671	479,043	570,296
Catering	1,023	1,433	36,594	37,505
Governance costs	213	299	6,842	7,384
Wages and salaries	23,737	33,247	849,225	718,803
National insurance	2,601	3,644	93,070	58,849
Pension cost	1,598	2,238	57,163	41,479
Depreciation	6,915	9,686	246,764	252,951
	<u>49,417</u>	<u>69,218</u>	<u>1,768,701</u>	<u>1,687,267</u>
Total 2017	<u>42,483</u>	<u>63,723</u>	<u>1,687,267</u>	

10. SUMMARY OF EXPENDITURE BY TYPE

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	370,386	-	349,222	719,608	766,513
Commercial trading operations	<u>1,599,305</u>	<u>64,068</u>	<u>1,345,586</u>	<u>3,008,959</u>	<u>2,633,467</u>
In Patient Unit	2,149,713	111,513	494,945	2,756,171	2,811,092
Community Nursing Services	1,880,357	79,705	343,028	2,303,090	1,982,366
Day Care Services	244,923	13,831	132,890	391,644	312,758
RD&E Hospital Team	59,335	6,915	18,665	84,915	207,954
Education	119,370	9,686	61,909	190,965	164,221
CHARITABLE ACTIVITIES	<u>4,453,698</u>	<u>221,650</u>	<u>1,051,437</u>	<u>5,726,785</u>	<u>5,478,391</u>
	<u>6,423,389</u>	<u>285,718</u>	<u>2,746,245</u>	<u>9,455,352</u>	<u>8,878,371</u>
Total 2017	<u>5,981,493</u>	<u>290,474</u>	<u>2,606,404</u>	<u>8,878,371</u>	

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

11. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	285,718	290,474

During the year, no Trustees received any remuneration (2017: £NIL).

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year, no Trustees received any reimbursement of expenses (2017: £694).

During the year, the total amount of donations received from Trustees without restriction were £4,467 (2017: £3,536).

12. AUDITORS' REMUNERATION

	2018	2017
	£	£
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	6,650	6,438
Fees payable to the charity's auditor in respect of:		
The audit of the annual accounts of the charity's subsidiary undertakings	4,350	4,220
All other non-audit services not included above	-	442

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

13. STAFF COSTS

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	5,501,570	5,174,854
Social security costs	481,891	423,193
Pension costs	439,928	383,446
	6,423,389	5,981,493

The average number of persons employed by the charity during the year was as follows:

	2018	2017
	No.	No.
Doctors	5	5
Nurses	83	83
Health care assistants	28	30
Care managers	1	1
Chaplain	1	1
Volunteer co-ordinators	2	3
Fundraising staff	15	15
Administration	29	24
Trading	79	78
Lottery	3	5
Complementary therapies	3	2
Catering/cleaning	14	16
Education	5	6
	268	269

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Employees	199	184

The number of higher paid employees was:

	2018	2017
	No.	No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	1	1

The money purchase pension contributions for these employees paid during the year amounted to £36,214 (2017: £17,228).

Key management personnel of the parent charity and group comprise the trustees, the Chief Executive, the Finance Director, the Director of Care, the Director of Estates and Facilities, the Director of Income Generation, the Director of Workforce Development and the Medical Director. The total employee benefits of the key management personnel were £394,401 (2017: £400,025).

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

14. (DEFICIT) / SURPLUS OF PARENT COMPANY

	2018	2017
	£	£
Surplus / (deficit) on ordinary activities dealt with in the accounts of the parent company.	(669,113)	308,661

15. TANGIBLE FIXED ASSETS

GROUP	Freehold property	Leasehold Property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£	£
COST						
At 1 April 2017	1,910,287	3,805,574	217,293	25,550	707,416	6,666,120
Additions	-	-	20,369	-	73,698	94,067
At 31 March 2018	1,910,287	3,805,574	237,662	25,550	781,114	6,760,187
DEPRECIATION						
At 1 April 2017	144,593	1,191,359	160,874	7,709	357,298	1,861,833
Charge for the year	38,627	71,545	23,298	5,110	147,138	285,718
At 31 March 2018	183,220	1,262,904	184,172	12,819	504,436	2,147,551
NET BOOK VALUE						
At 31 March 2018	1,727,067	2,542,670	53,490	12,731	276,678	4,612,636
At 31 March 2017	1,765,694	2,614,215	56,419	17,841	350,118	4,804,287

Included in land and buildings is freehold land at cost of £100,000 (2017: £100,000) which is a non depreciable asset.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

	Freehold property £	Leasehold Property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
CHARITY						
COST						
At 1 April 2017	1,910,287	3,772,854	217,293	25,550	508,656	6,434,640
Additions	-	-	20,369	-	53,879	74,248
At 31 March 2018	<u>1,910,287</u>	<u>3,772,854</u>	<u>237,662</u>	<u>25,550</u>	<u>562,535</u>	<u>6,508,888</u>
DEPRECIATION						
At 1 April 2017	144,593	1,161,454	160,874	7,709	241,200	1,715,830
Charge for the year	38,627	71,217	23,298	5,110	108,512	246,764
At 31 March 2018	<u>183,220</u>	<u>1,232,671</u>	<u>184,172</u>	<u>12,819</u>	<u>349,712</u>	<u>1,962,594</u>
NET BOOK VALUE						
At 31 March 2018	<u>1,727,067</u>	<u>2,540,183</u>	<u>53,490</u>	<u>12,731</u>	<u>212,823</u>	<u>4,546,294</u>
At 31 March 2017	<u>1,765,694</u>	<u>2,611,400</u>	<u>56,419</u>	<u>17,841</u>	<u>267,456</u>	<u>4,718,810</u>

Included in land and buildings is freehold land at cost of £100,000 (2017: £100,000) which is a non depreciable asset.

The main hospice at Dryden Road, Exeter is included in leasehold properties at £2,179,483 being historical cost less depreciation. On 3 June 2015, the property was valued at £2,900,000 by King Wilkinson & Co Ltd, Chartered Surveyors, on the basis of depreciated replacement cost. Trustees have chosen not to reflect the valuation in the accounts.

16. FIXED ASSET INVESTMENTS

GROUP	Listed securities £
MARKET VALUE	
At 1 April 2017	3,652,236
Additions	1,005,571
Disposals	(432,578)
Revaluations	(44,250)
At 31 March 2018	<u>4,180,979</u>

GROUP INVESTMENTS AT MARKET VALUE COMPRISE:

	2018 £	2017 £
Listed investments	<u>4,180,979</u>	<u>3,652,236</u>

All the fixed asset investments are held in the UK

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

16. FIXED ASSET INVESTMENTS (continued)

GROUP MATERIAL INVESTMENTS

	31 March 2018 £	31 March 2017 £
4.125% Treasury Stock 2030	128,087	137,028
Polar Capital Funds	129,021	-
	<u>257,108</u>	<u>137,028</u>

	Listed securities £	Unlisted securities £	Total £
CHARITY			
At 1 April 2017	3,652,236	110,002	3,762,238
Additions	1,005,571	-	1,005,571
Disposals	(432,578)	-	(432,578)
Revaluations	(44,250)	-	(44,250)
At 31 March 2018	<u>4,180,979</u>	<u>110,002</u>	<u>4,290,981</u>

CHARITY INVESTMENTS AT MARKET VALUE COMPRISE:

	2018 £	2017 £
Listed investments	4,180,979	3,652,236
Group	110,002	110,002
Total	<u>4,290,981</u>	<u>3,762,238</u>

All the fixed asset investments are held in the UK

CHARITY MATERIAL INVESTMENTS

	2018 £	2017 £
4.125% Treasury Stock 2030	128,087	137,028
Polar Capital Funds	129,021	-
	<u>257,108</u>	<u>137,028</u>

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

17. DEBTORS

	GROUP		CHARITY	
	2018	2017	2018	2017
	£	£	£	£
Debtors	211,329	188,126	190,497	166,849
Amounts owed by group undertakings	-	-	28,576	361,322
Other debtors	77,086	58,040	13,719	642
Prepayments and accrued income	581,786	262,157	541,050	218,993
	870,201	508,323	773,842	747,806

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	174,594	180,806	115,004	109,738
Other taxation and social security	124,040	113,564	104,459	96,785
Other creditors	107,726	112,099	53,005	48,474
Accruals and deferred income	144,550	157,264	144,550	157,264
	550,910	563,733	417,018	412,261

	GROUP		CHARITY	
	2018	2017	2018	2017
	£	£	£	£
DEFERRED INCOME				
Deferred income at 1 April 2017	59,850	41,048	59,850	41,048
Resources deferred during the year	61,764	59,850	61,764	59,850
Amounts released from previous years	(59,850)	(41,048)	(59,850)	(41,048)
Deferred income at 31 March 2018	61,764	59,850	61,764	59,850

Deferred income relates to lottery tickets sold in advance.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

19. PROVISIONS

GROUP	Dilapidations
	£
At 1 April 2017	107,047
Additions	11,693
	<hr/>
At 31 March 2018	118,740
	<hr/> <hr/>

DILAPIDATIONS

The dilapidations provision is based on the future expected repair costs required to restore the leased buildings to their fair condition at the end of their respective lease terms.

The Charity itself has no provision for dilapidations.

20. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at	Income	Expenditure	Transfers	Gains/	Balance at
	1 April 2017	£	£	in/(out)	(Losses)	31 March
	£	£	£	£	£	2018
	£	£	£	£	£	£
DESIGNATED FUNDS						
Capital Reserve	4,666,117	-	(241,192)	187,711	-	4,612,636
Designated property fund	533,500	-	-	-	-	533,500
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,199,617	-	(241,192)	187,711	-	5,146,136
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
GENERAL FUNDS						
General reserves	4,381,064	8,576,347	(8,852,130)	(187,711)	(44,250)	3,873,320
Total Unrestricted funds	9,580,681	8,576,347	(9,093,322)	-	(44,250)	9,019,456
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
ENDOWMENT FUNDS						
Endowment Funds - all funds	20,000	-	-	-	-	20,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

On 1 April 2009, under an arrangement agreed with the Charity Commission, the activities, assets and liabilities of a separate charity were merged with Hospiscare. £20,000 represents the permanent endowment capital. Income arising therefrom is unrestricted.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

20. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2018 £
Medical Research fund	49,309	13,742	(11,968)	-	-	51,083
The Patrick and Marylla Tozer Fund	340,083	-	(140,083)	-	-	200,000
Early referral research fund	-	47,940	-	-	-	47,940
Other restricted funds	-	249,788	(209,979)	-	-	39,809
	<u>389,392</u>	<u>311,470</u>	<u>(362,030)</u>	<u>-</u>	<u>-</u>	<u>338,832</u>
Total of funds	<u>9,990,073</u>	<u>8,887,817</u>	<u>(9,455,352)</u>	<u>-</u>	<u>(44,250)</u>	<u>9,378,288</u>

Capital reserves

These equate to the net book value of the tangible fixed assets employed by the group.

Designated property fund

These are the gross amounts received for the sale of the freehold shops at Exmouth, Budleigh and Whipton to be used for future property expenditure.

General reserves

These are the amount of free reserves available for use by Hospiscare.

Medical research fund

This is a general fund operated by the medical team. At their discretion it may be used for capital purchasing, professional fees, books, educational costs etc.

The Patrick and Marylla Tozer fund

This is a specific legacy fund. Under his Will, the Late Patrick Tozer expressed his desire that the funds shall help other patients by assisting Hospiscare to preserve and develop its caring services. The fund, under the terms of the Will, is operated under the supervision of the Finance Committee, primarily for the consolidation of patient care services throughout East Devon.

Early referral research fund

This represents a donation to research early referrals at Hospiscare. The donation will be used to fund research by Exeter University into early referrals.

Other restricted funds

This represents donations and legacies received during the year that are to be spent on specific locations or services.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

20. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2017 £
DESIGNATED FUNDS						
Capital Reserve	4,658,444	-	(252,445)	260,118	-	4,666,117
Designated property fund	533,500	-	-	-	-	533,500
	<u>5,191,944</u>	<u>-</u>	<u>(252,445)</u>	<u>260,118</u>	<u>-</u>	<u>5,199,617</u>
GENERAL FUNDS						
General reserves	4,087,788	8,735,774	(8,508,092)	(260,118)	325,712	4,381,064
Total Unrestricted funds	<u>9,279,732</u>	<u>8,735,774</u>	<u>(8,760,537)</u>	<u>-</u>	<u>325,712</u>	<u>9,580,681</u>
Endowment Funds - all funds	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
RESTRICTED FUNDS						
	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2017 £
Medical Research fund	41,597	13,258	(5,546)	-	-	49,309
The Patrick and Marylla Tozer Fund	340,083	-	-	-	-	340,083
Other restricted funds	-	112,288	(112,288)	-	-	-
	<u>381,680</u>	<u>125,546</u>	<u>(117,834)</u>	<u>-</u>	<u>-</u>	<u>389,392</u>
Total of funds	<u><u>9,681,412</u></u>	<u><u>8,861,320</u></u>	<u><u>(8,878,371)</u></u>	<u><u>-</u></u>	<u><u>325,712</u></u>	<u><u>9,990,073</u></u>

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2018 £
Designated funds	5,199,617	-	(241,192)	187,711	-	5,146,136
General funds	4,381,064	8,576,347	(8,852,130)	(187,711)	(44,250)	3,873,320
	<u>9,580,681</u>	<u>8,576,347</u>	<u>(9,093,322)</u>	<u>-</u>	<u>(44,250)</u>	<u>9,019,456</u>
Endowment funds	20,000	-	-	-	-	20,000
Restricted funds	389,392	311,470	(362,030)	-	-	338,832
	<u>9,990,073</u>	<u>8,887,817</u>	<u>(9,455,352)</u>	<u>-</u>	<u>(44,250)</u>	<u>9,378,288</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2017 £
Designated funds	5,191,944	-	(252,445)	260,118	-	5,199,617
General funds	4,087,788	8,735,774	(8,508,092)	(260,118)	325,712	4,381,064
	<u>9,279,732</u>	<u>8,735,774</u>	<u>(8,760,537)</u>	<u>-</u>	<u>325,712</u>	<u>9,580,681</u>
Endowment funds	20,000	-	-	-	-	20,000
Restricted funds	381,680	125,546	(117,834)	-	-	389,392
	<u>9,681,412</u>	<u>8,861,320</u>	<u>(8,878,371)</u>	<u>-</u>	<u>325,712</u>	<u>9,990,073</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Endowment funds 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	4,612,636	4,612,636
Fixed asset investments	-	-	4,180,979	4,180,979
Current assets	20,000	338,832	895,491	1,254,323
Creditors due within one year	-	-	(550,910)	(550,910)
Provisions for liabilities and charges	-	-	(118,740)	(118,740)
	<u>20,000</u>	<u>338,832</u>	<u>9,019,456</u>	<u>9,378,288</u>

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Endowment funds 2017 £	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	4,804,287	4,804,287
Fixed asset investments	-	-	3,652,236	3,652,236
Current assets	20,000	389,392	1,794,938	2,204,330
Creditors due within one year	-	-	(563,733)	(563,733)
Provisions for liabilities and charges	-	-	(107,047)	(107,047)
	<u>20,000</u>	<u>389,392</u>	<u>9,580,681</u>	<u>9,990,073</u>

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	GROUP	
	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(611,785)	308,661
Adjustment for:		
Depreciation charges	285,718	290,474
(Gains)/Losses on investments	57,283	(311,082)
Dividends, interest and rents from investments	(101,338)	(94,817)
Profit on the sale of fixed assets	(13,033)	(14,899)
(Increase)/decrease in stocks	(3,531)	6,471
(Increase)/decrease in debtors	(433,787)	157,597
Increase in creditors	70,779	166,708
Net cash (used in)/provided by operating activities	(749,694)	509,113

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	GROUP	
	2018 £	2017 £
Cash in hand	360,103	1,675,519
Total	360,103	1,675,519

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

24. CONTINGENT ASSETS

Bequests are not recognised until Hospiscare has entitlement to the funds, the amount can be quantified and there is probability of receipt. The estimated value of legacies, not included as income in these accounts and which have been notified but not received as at 31 March 2018 was £1,694,600 (2017: £1,369,109).

25. PENSION COMMITMENTS

The Group pays contributions to a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £210,332 (2017: £170,871). Contributions totalling £28,886 (2017: £24,555) were payable to the fund at the balance sheet date and are included in creditors.

Additionally, the Charity pays contributions to the NHS Pension Scheme. Although the scheme provides defined benefits to members, it is an unfunded multi employer scheme. Accordingly it is accounted for as if it was a defined contribution scheme. The pension cost charge represents contributions payable by the Group to the fund and amounted to £229,596 (2017: £212,575). Contributions totalling £32,765 (2017: £31,620) were payable to the fund at the balance sheet date and are included in creditors.

26. OPERATING LEASE COMMITMENTS

At 31 March 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	GROUP		CHARITY	
	2018	2017	2018	2017
	£	£	£	£
Within 1 year	338,129	347,904	298,433	307,100
Between 2 and 5 years	929,400	997,317	878,400	981,733
After more than 5 years	582,683	725,908	529,558	725,908
Total	1,850,212	2,071,129	1,706,391	2,014,741

27. RELATED PARTY TRANSACTIONS

The charity is taking advantage of the exemption allowed under FRS102 from the requirement of Section 33 "Related Party Disclosures" not to disclose related party transactions with members of the group.

There are no other related party transactions other than those disclosed earlier. There were no amounts outstanding from any Trustee at the year end.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

28. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at amortised cost	<u>225,714</u>	<u>188,126</u>
Financial liabilities measured at amortised cost	<u>374,564</u>	<u>458,205</u>

Financial assets measured at amortised cost comprise of trade and other debtors.

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

29. SUBSIDIARY

Hospiscare (Shops) Limited

Subsidiary name	Hospiscare (Shops) Limited
Company registration number	02201730
Basis of control	Subsidiary
Equity shareholding %	100%
Total assets as at 31 March 2018	£ 339,671
Total liabilities as at 31 March 2018	£ (281,208)
Total equity as at 31 March 2018	£ 58,463
Turnover for the year ended 31 March 2018	£ 2,697,287
Expenditure for the year ended 31 March 2018	£ (2,708,675)
Loss for the year ended 31 March 2018	£ (11,388)

Included in the Consolidated Statement of Financial Activities is:

Income from subsidiary - Hospiscare (Shops)	£ 2,697,287	£ 2,359,867
Donated goods under the Gift Aid Scheme	464,413	419,702
Fee charged by subsidiary for Gift Aid Scheme donations	(352,535)	(276,643)
Gift Aid claimed on goods donated under the Gift Aid Scheme	127,835	98,007
Bank interest received by Hospiscare (Shops) Limited	58	282
Total incoming resources - activities for generating funds	<u>2,936,622</u>	<u>2,601,215</u>
Expenditure of subsidiary - Hospiscare (Shops) Limited	£ 2,708,733	£ 2,353,909
Rent charged by Hospiscare to Hospiscare (Shops) Limited	(425,224)	(323,789)
Expenditure of parent - rent and insurance	406,433	203,699
Total resources expended - fundraising expenses and other costs	<u>2,689,942</u>	<u>2,333,819</u>

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2018**
