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Charity number: 1046826

Isabel Hospice Limited

Trustees' Annual Report and Financial Statements

For the Year Ended 31 March 2022

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**Trustees' Annual Report and Financial Statements
for the Year Ended 31 March 2022**

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Foreword from the Chair

The beginning of 2021-22 started with our shops closed, face to face fundraising activities had ceased and some of our clinical services were limited to being virtual in response to Government lockdown requirements to reduce the spread of coronavirus (COVID-19). As restrictions lifted, we opened our shops, we and the community gradually started event fundraising, and our services began to settle to the "new normal". Responding to the coronavirus (COVID-19) pandemic required considerable change for some of our clinical services. We have taken the learning and embedded it into our operations to enable us to support more patients with palliative care and end of life needs. A particular example is our Living Well Services where we have introduced a blended approach of virtual and face to face groups/sessions which are known as an episode of care and run for 4 to 8 weeks. Once the episode of care is completed, the patient is invited to transition to our Compassionate Community team to access the social cafes and groups.

Financially, Isabel Hospice started the year with a deficit budget of £465k but finished the year with a surplus of £1341k. This was largely due to the receipt of Government grants (Retail, Hospitality and Leisure Grants, Monies from NHS England (distributed by Hospice UK), legacies for which we are extremely grateful that exceeded budget and a better contribution from Isabel Trading Ltd than expected.

During 2021-22, 1854 people used our services which was an increase on the previous year of 1619. Increases were observed across all of our services. Of particular note was the number of attendances at our Living Well Services (face to face and virtual) which increased by almost a 1000 from 1745 in 2020-21 to 2701 in 2021-22.

Our vision is **Outstanding Palliative Care for All**. During 2020-21 we revisited our strategy and identified three strategic themes to deliver our vision:

- **Empower** a dynamic, agile organisation to include being financially sustainable and resilient.
- **Enable** an outstanding organisation that delivers care in any setting and is seen as a leader in our field(s).
- **Engage** with stakeholders and each other

Work has progressed in 2021-22 under each of these themes to deliver our strategy 2021-26.

Looking forward, the charity faces a number of challenges. Rising inflation and cost of living and its potential effects on donation levels and our operating costs could well impact on the charity's finances. The charity will be looking at different ways of generating income from fundraising and the retail contribution and looking at whether it can turn some assets into additional diverse income generation schemes. In addition it is likely that more people will need palliative and end of life care and support. We will continue to look at finding ways in which we can support more people within our current financial envelope.

The work of Isabel Hospice could not be delivered without the amazing staff and volunteers, and the support of the community. The Board would like to thank the staff for being responsive and agile in responding to the required changes and being compassionate to each other. We would like to thank the volunteers who so willingly give their time, and our community for supporting us in all sorts of ways but in particular, by providing the much needed funds to enable the Hospice to continue to deliver its services. Thank you to all our supporters.

Terry Philpott
Chair

Date 28 September 2022



Trustees' Annual Report for the Year Ended 31 March 2022

The Trustees are pleased to present their annual report (which, for the purposes of company law, includes the strategic report and the directors' report) and the audited financial statements for the year ended 31 March 2022.

These financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015). The financial statements include the results of the charity's trading subsidiary, Isabel Hospice Trading Limited.

Objectives and activities

The charity's purpose as set out in the objectives contained in the company's memorandum of Association is "to provide palliative care and support for those suffering from life-limiting illnesses, as well as support for their families and carers, in the boroughs of Welwyn Hatfield and Broxbourne and the District of East Hertfordshire".

To deliver this objective we provide a range of services to support patients and their families. Some of these services are illustrated in the following patient story.

Patient Story – Janet Howe



Our Living Well with Isabel therapy services focus on supporting your emotional wellbeing, as well as your physical wellness, offering care, comfort and confidence when you most need our help.

Retired registration admin officer Janet Howe turned to the Hospice after being diagnosed with stage 4 lung cancer in June 2021. At the time she reached out to us, the 74-year-old said she had sunk into a very dark place, but the Hospice's support has been transformative.

"Immediately after I was given the diagnosis, it was like the lights went out," she said. "I was told I had about three months to live and then I disappeared into the [NHS] system and heard nothing for 10 weeks.

All I knew was my case was being passed from one team to another and I didn't understand why. I felt really



unwanted.”

Janet, a grandmother of five, kept her diagnosis and the emotional toll it was having on her to herself in a bid to protect her husband, Mike. Her three sons were better able to cope with the news and began to suggest a few practical ways of support. Eventually though, after reaching her lowest ebb, Janet plucked up the courage to contact the Hospice.

“I’m one of these people who is always protecting others and I convinced myself I had to stay strong, but in reality I was absolutely desperate,” she said. “I wasn’t being open with my emotions to anybody and I felt completely lost. It was honestly the worst time of my life. I tried desperately hard to be strong, to think about the future but I didn’t know where to turn. Then out of the blue I decided to ring Isabel Hospice.”

Janet spoke to Gail, one of our Clinical Nurse Specialists, who visited her at home to speak to her and Mike about what had been happening.

“Most people think the Hospice is the last resort. It’s where people go to die. That was my (Janet’s) thought, but goodness me how wrong was I. Gail explained to us that it wasn’t about giving up, or admitting defeat, but learning to make the very best use of the very last second we have together. It was such a positive message.”

Janet, who lives in Tewin, was invited to attend our eight-week Living Well with Isabel wellbeing course at our Hall Grove hub in Welwyn Garden City as well as a course of complementary therapy.

“First of all, I was able to meet other people in the same position as myself. And far from feeling sorry for ourselves we had a chat and a laugh. It started to feel like normal life again and made me realise this is what I wanted. My life has been a really happy, joyful one and I didn’t want it to end in this shadow. The Hospice showed me I still had a life to live, I still had something to give and I could create something new even at this stage of my life. I really appreciated being able to ask direct questions – things that would be unspeakable in day-to-day life because we are all so afraid to speak about the end of life. I got honest answers and nobody ever glossed over anything. They gave me the truth, which is what I wanted, so I could come to terms with things in my own way.”

Janet, a former nursery school head teacher, said the things she has learned from attending the wellbeing course have spilled out into other aspects of her life.

“It really has been life-changing and I’m so thankful for that. I live in a village and it’s given me the confidence to widen my social circle and make new friends. I’ve started a knitting group on a Monday morning at our local pub where very little knitting gets done because we’re too busy having such outrageous fun.”

“None of that would have happened if it weren’t for Isabel Hospice shining a light in a very dark place. They’ve shown me there is still fun to be had and gave me the support I needed to get back out there and start enjoying life again. That was such an important lesson and I’m so glad I had the courage to phone up that day.”

“The cancer rarely gets a thought these days, it’s not on my mind because other things have replaced it. I’m too busy living my life. I’m looking forward to the spring and making plans for the future. Every day presents an opportunity and I’m determined to seize it.”



Our Services During 2021-22

During 2021-22 following our response to the Covid Pandemic we were able to review our Clinical services and rebuild our Living Well with Isabel (LWWI) services. An update on our Clinical Services is described below.

Community Care

As we move towards a new normal post pandemic, we have adapted our Clinical Nurse Specialist (CNS) community care through a blended approach of remote and face to face consultations. Patients are triaged over the telephone and those patients with complex symptoms are offered a home visit. This flexible approach has enabled us to increase the number of patients seen by the service to 1,233 (up from 1,115 in 2020-21). Our Heart Failure CNS continues to provide support and advice to patients in the community and delivers education to the CNS team in Heart Failure symptom management.

Our Hospice at Home team, consisting of registered health care professionals (nurses and paramedics) and health care assistants, provide a Virtual Ward. In collaboration with the community district nursing team, they enable patients to be cared for and die at home. This was particularly important during the last year as visiting restrictions in many healthcare facilities continued.

Our Compassionate Neighbours support those lonely and at risk of isolation. We have trained 207 compassionate neighbours and training days are run monthly. The team work closely with other healthcare providers in the community such as social prescribers and community navigators. We run compassionate communities' cafes and social meet up groups across East Hertfordshire which are open to all.

Living Well

This service offers a variety of options to support people living with serious, long term and life limiting conditions, and their loved ones. During 2021-2022 we have gradually rebuilt our Living Well with Isabel (LWWI) Service and are now offering a blended approach of virtual and face to face groups/sessions. Each group/session is known as an episode of care and will run between 4 to 8 weeks. Once the episode of care is completed the patient is invited to transition to our Compassionate Community team to access the social cafes and groups such as Tai Chi and Qigong.

Last year we explored new venues in the Bishops Stortford and surrounding areas and are delighted to have secured the Methodist Church Hall on South Street. The building has recently undergone extensive redevelopment to ensure accessible entry and they have created a very functional café area.

Our new Wellbeing course which replaces our pre Covid service model offers a supportive intervention, wellbeing therapy and exercise and relaxation for patients. These group sessions are being delivered at Welwyn Garden City, Waltham Cross and Bishops Stortford and have been running throughout 2021-2022 with great success.

Inpatient Unit

Our In-Patient Unit (IPU) based in Welwyn Garden City offers 8 beds for specialist symptom management and end of life care. We have continued to care for patients throughout 2021-2022 including those who have tested positive to Covid-19. We have been able to lift some visiting restrictions whilst maintaining a COVID-19 safe environment. Access has remained in place for families to visit their loved ones at the end of life.



Medical Services

In 2022 we undertook a review of our medical team, developed a job description and work plan and sought approval from the Royal College of Physicians to advertise and recruit a Specialist Doctor/Medical Lead. Our medical team work as part of our clinical services supporting patients and professionals in every aspect of our patient care.

In 2022 our medical team organised placements for medical students from Cambridge University as part of their pre-registration medical training. Our medical team also provide education and support Junior Doctors and GP Trainees through their Hospice rotation.

24 Hour Advice Line

Clinical advice and support for patients, their families/carers and professional colleagues about any palliative care and /or end of life care issue, irrespective of person's diagnosis and whether they are known to us.

Family Support

We support patients and their families as they cope with the diagnosis of a life limiting illness through into bereavement. We provide telephone support for adults and children through individual and group sessions. Remote consultations have proved particularly popular with the children and young people we support. Face-to-face counselling sessions can be arranged if circumstances necessitate this. We offer spiritual care and also now have a dedicated counsellor offering psychological support at our In-Patient Unit.

Education

We support our community and healthcare partners by providing an extensive range of clinical education programmes. These programmes enables the charity to share its knowledge, experience and expertise in specialist palliative care with other providers of care in the area and contributes to our ambition to improve the end of life care for all people. In 2021-2022 our education team has delivered a full programme of education internally and externally. We have also been able to deliver more face-to-face education in Covid secure environments. Isabel Hospice continues to provide a Care Home Educator to support the staff in Nursing Homes to deliver Palliative and End of Life Care to their residents in Eastern Hertfordshire.

In 2021 we were able to recruit another Clinical Educator. We have continued to work collaboratively with Garden House Hospice education team to delivery our external education programme. Altogether 233 education sessions were delivered in 2021-22, attended by 1704 people. This included 112 to external education sessions. The focus of internal training has been to continually develop our staff in all areas, which has included clinical practice, leadership programmes, and aspects of volunteering roles. We are proud to have increased our compliance with statutory mandatory training to over 95% which is a great improvement on previous years.



Public Benefit

The Trustees have reviewed the Charity Commission guidance on Public Benefit and are confident that the charity meets the requirements, specifically:

- All services to patients and families are provided free of charge
- We work closely with GPs and other healthcare professionals as we seek to try to ensure that everyone in the last year of their life is identified and referred to, and able to access, the right services to meet their needs
- We seek to identify specific groups who may find it harder to access services and develop specific approaches to engage them and ensure their needs are met. In the current year, for example, we have extended our reach to those working with people with learning disabilities and also the Lesbian Gay, Bisexual Transgender (LGBT) community.

All services are provided free of charge irrespective of social, economic, ethnic or religious background and are for the public benefit. To fund these activities, the charity has to raise the majority of its funding from the communities it serves and we continue to rely on the generosity of local people through a wide range of fundraising and giving, including:

- Individual Donations, in memory gifts, regular giving and legacies
- Grants from Trust funders
- A wide range of fundraising events
- A Lottery
- 16 charity shops and an eBay shop operated by our trading company which passes all of its profits to the charity

We also have a service contract with the East & North Herts Clinical Commissioning Group (CCG) that provides 31% of our income.

The charity continues to rely on support from over 548 active volunteers who make a substantial contribution to income generation and service delivery. The charity could not provide its services without their time and skills.

Vision, Strategic Aims and Values

Strategy

During 2020-21, the Isabel Hospice Strategy for 2021-2026 was identified. During 2021-22 a situational analysis was undertaken to determine whether there should be any changes to the strategy to respond to opportunities and threats. No changes were identified.

Vision

Our vision is **Outstanding Palliative Care for All.**

We will deliver outstanding palliative care through our services, and work in partnership with others including patients, GPs, NHS community providers, NHS acute hospitals, Nursing and Residential Homes, Carers, Patient Relatives and other Third Party Providers to enable them to deliver palliative care that meets patient needs. We need to remember that the provision of end of life care is the responsibility of statutory bodies, however, the hospice has a key contribution to this particularly in the area of specialist palliative care.



Strategic Themes

We have identified three strategic themes to inform and drive everything we do for the vision to be delivered, and these are;

- **Empower** a dynamic, agile organisation to include being financially sustainable and resilient.
- **Enable** an outstanding organisation that delivers care in any setting and is seen as a leader in our field(s).
- **Engage** with stakeholders and each other

The challenges we are addressing, what we will do (**areas that have been addressed are emboldened and given a ✓**), what we have done in 2021-22 and measures of success identified for 2026 are summarised below under each strategic theme.

Empower

The Challenge	Strategic Theme	What we will do	What we have done in 2021-22	Measures of success
We cannot generate sufficient income to cover the costs of the ever increasing need for our services doing what has worked in the past. Isabel Hospice "as is" cannot sustain the anticipated growth. Our workforce needs to be empowered and driven to enact change	Empower a dynamic, agile organisation to include being financially sustainable and resilient	*Develop a skilled, focussed, high performing and committed workforce and volunteers ✓ *Leverage high quality data to drive informed decisions ✓ *Charge for non-core services *Be efficient with costs and expenditure ✓ *Improve legacy income predictions e.g. investigate legacy insights ✓ *Increase our income *Reduce operating costs from HO *Review Governance structure to ensure it supports an agile business ✓ *Develop succession plans for employees ✓	*Introduced and learning and development programme for all staff. *Introduced a reward and recognition programme *Identifying data to inform decision making in People and Clinical *Expenditure was below budget *For the first time used Legacy Foresight to predict legacy income. 91% of that predicted was realised. We now need to look at trends for future years. *The Terms of Reference of Committees are being reviewed *Succession plans identified for Finance and Clinical	By 2026 we have: *Diversified into other income streams *Increased numbers of active volunteers to 75% of registered volunteers in month *Better understand our volunteer requirements and diversified our base to meet these needs *Met our KPI targets for employee satisfaction, (sickness, retention and empowerment etc.) *Expenditure is no more than 80% of income *Free reserves (cash and liquid assets) are equivalent to 6 months of expenditure *Fundraising income has increased to £ 3 million per annum *Trading company contribution is in excess of £1million per annum



Enable

The Challenge	Strategic Theme	What we will do	What we have done in 2021-22	Measures of success
Our organisation needs to be outstanding in everything we do. We also need to leverage new technology to reach people in new ways and improve our business at every level.	Enable an outstanding organisation that delivers care in any setting and is seen a leader in our field	<ul style="list-style-type: none"> *Build on new and novel ways of engaging with system partners and primary care borne out of COVID e.g. webinars/ virtual sessions ✓ *Efficiently continue virtual community care where applicable ✓ *Find new, innovative ways to deliver income ✓ *Become an employer of choice *Find new ways to understand and measure patient satisfaction ✓ *Assess accreditation options ✓ 	<ul style="list-style-type: none"> *Most meetings with system partners are now virtual which reduces travel time and expenses. *Virtual community care has continued; 63% of interactions were virtual. *There is a particular focus on Corporate Fundraising for 2022-23. *Reviewing measures to understand Patient satisfaction *Have assessed accreditation options and identified preferred option. 	By 2026 we have: <ul style="list-style-type: none"> *Delivered outstanding services *Identified 4 key success areas from staff survey and improved those vs 2021 results *Patient satisfaction remains above 95% *60% of our consultations are virtual *Delivered outstanding donor and retail experiences

Engage

The Challenge	Strategic Theme	What we will do	What we have done in 2021-22	Measures of success
We need to find ways to collaborate successfully externally (e.g. other hospices, NHS, Universities) and ensure better internal collaboration to support this	Engage with our stakeholders and each other	<ul style="list-style-type: none"> *Decide whether to merge with GH hospice ✓✓ *Work with the NHS to deliver valued services that they are willing to fund ✓ *Collaborate with external partners as widely as possible e.g. University of Hertfordshire ✓ *Benefit through economies of scale through greater collaboration and partnership with other hospices ✓ *Investigate outsourcing *Engage in new ways of working ✓ *Build partnerships with local organisations to enable a strong community presence and drive awareness ✓ *Improve our internal communications ✓ 	<ul style="list-style-type: none"> *Complete – not merging with GH hospice *During 2021-22 NHS have agreed to fund CNS Heart Failure Services *Partnered with Herts Regional College for placements as volunteers. *Started to build partnerships to enable a strong community presence – e.g. Healthwatch, all councillors. To be developed further through Equity, Diversity and Inclusion Work. *Collaborated with GH Hospice on Fundraising Events to reduce costs. *Staff and Volunteer Engagement Survey suggests that internal 	By 2026 we have: <ul style="list-style-type: none"> *Increased perceived level of NHS funding due to offering services they value *Built a partnership with the University of Herts and other businesses *Merged with GH or partnered with another organisation to reduce operating costs and improve patient services *Increased employee survey internal comms results



			communications has improved. There is still work to do and this is an area of focus in 2022-23.	
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Our Values

Our values are at the heart of how we work in every setting – between staff, within teams, with volunteers, how we treat patients and families and how we engage with partner organisations and suppliers. These are:

Values	Explanation
Care	Everything we do shows we support and care about everyone
Together	We are collaborative and inclusive in our approach
Respect	We respect the contribution that everyone is able to make
Responsive	We are responsive to people's needs
Dynamic	We challenge existing practices and strive to continuously improve.

Together we care is our strapline captures the essence of our approach as a charitable hospice

- Every aspect of our care and support is delivered in partnership – with patients, families & loved ones, other professionals.
- Every member of staff and volunteer plays a crucial role in making our care possible
- We work with our communities and our partners.

Achievements and Performance

The selected metrics listed below are illustrative of the scale and scope of the services provided. Whilst the challenges of the pandemic remained, the charity's multi-disciplinary teams of staff and volunteers have continued to keep our patients and their families safe and provide a high standard of care. During 2021-22, a higher number of people used our services compared with 2020-21. The proportion of patients with cancer had increased slightly. Of particular note is that attendances at Living Well sessions had increased from 1715 in 2020-21 to 2701 in 2021-22, which reflected the opening of services across the locality.

Metric	March 2022	March 2021	March 2020	March 2019
Total people using our services	1,854	1,694	2,339	1,855
Patients	1,435	1,318	1,834	1,441
Family support clients*	564	488	630	596
Admissions to In-Patient Care	257	228	222	183
Patients cared for by Hospice at Home	357	359	287	298
Patients cared for by Clinical Nurse Specialist	1,233	1,115	1,198	1,162
Patients cared for at Living Well	343	269	601	573
Attendances at Living Well sessions	2,701 Telephone, face to face	1,715 Telephone, face to face	6,334	6,078



	and virtual	and virtual		
Cancer / Other diagnosis	61%/39%	59%/41%	54%/46%	59% / 41%
Average days from referral to death	142 days	133 days	120 days	106 days

*Family support clients – 279 were adult family members, 134 children and 151 patients.

(Further details of our services with activity, quality and performance data can be found in our annual Quality Account, prepared for NHS partners)

Clinical Quality Priorities for 2022-2023

Our clinical strategic objectives are:

- Enable an outstanding patient journey
- Engage and integrate with the wider health and social economy
- Empower staff to deliver outstanding care
- Engage to enable and empower a compassionate community

Enable an outstanding patient journey

Implement Patient Safety Partners

The patient safety strategy was developed in 2019 to continuously improve patient safety with the aims of promoting key safety measurement principles and support learning from incidents. Part of the framework is to introduce Patient Safety Partners (PSPs). This relates to the role that patients, carers and other lay people can play in supporting and contributing to a healthcare organisation's governance and management process for patient safety. We recognise the importance and insight that these individuals can bring to the organisation in relation to patient safety and we plan to identify and work with a PSP to support safety across the hospice. This will be through involvement at patient safety meetings and projects.

Review and redefine referral and triage pathway

The East and North Hertfordshire End of Life Palliative Care single point of access delivery group was established at the end of 2021. The aim of this group is to develop a single point of access that provides integrated triage function and care co-ordination for people who have been identified at end of life. Isabel Hospice is an integral part of this project with the aim of ensuring the person receives the right intervention at the right time by the right professional. This year, we will be working with our palliative healthcare colleagues to streamline the referral and triage pathway for our patients.

Engage and integrate with the wider health and social economy

Extend community reach and establish links with those supporting seldom heard groups.

Our Compassionate Communities approach has enabled us to support social interaction within the community for those affected by death, loss and isolation. We are keen to continue this work and increase social contact across Eastern Hertfordshire, particularly for those groups who are not provided with the opportunity to engage with services... Research has shown that the Covid19 pandemic has widened the equality gap for certain communities. We plan to extend the roll out of the community approach by inviting people to be involved, either directly or through community leaders; try to understand the barriers that certain groups face in palliative care and find forms of engagement that works for different groups or individuals.



Empower staff to deliver outstanding care

Establish rotations of clinical staff across the settings

During the planning of our clinical strategy, we held a focus group and one of the common themes that staff felt would be beneficial was the introduction of staff rotations across the clinical areas. Rotations will provide staff with the opportunity to gain diverse clinical experience across community, living well and in patient settings. The aim is to enable a flexible and adaptable workforce and provide staff with the opportunity to develop their clinical skills. It is hoped that this will help increase confidence and competence leading to career progression and improved cohesiveness between teams.

Engage to enable and empower a compassionate community

Re-introduce Nurse Led clinics into the community

Prior to the Covid19 pandemic, we held several Nurse led clinics in the community. We had to cease these very popular sessions due to Covid restrictions. Historically, the clinics were well received as they provide patients and their families the opportunity to attend a clinic and discuss their current issues and treatment plan face to face. For those patients able to travel, it also allows our Clinical Nurse Specialist to see many patients within a short period of time. We plan to re-introduce these clinics alongside our Living Well service in our Welwyn hub and Bishops Stortford hub.

Hospice Information Days

Early referral to a hospice can provide many benefits for palliative patients including a timely holistic assessment and symptom management. An early hospice referral can improve a patient's quality outcome by enabling an individualised approach to care. However, hospice is often a frightening word for people. We are planning to hold information days around hospice care for the public. This will introduce hospice services providing an overview of the wide range of services a hospice can offer and dispel the myths. This is going to be undertaken by collaborative approach between our Clinical Nurse Specialist and Living Well Service.



Fundraising

Fundraising Achievements 2021-22

We are extremely grateful for all the financial support that we have received from our community during 2021-22.

The Coronavirus pandemic continued to affect our fundraising activities during 2021-22 however we delivered income of £1.7m (excluding legacies) which was above budget by £26k.

Our fundraising efforts, combined with cost saving initiatives and staff vacancies, produced a strong year, despite the ongoing pandemic. This success was driven by a number of factors:

- Implementation of new events and activities including Fountain to Fountain
- Extending our Xmas Tree Recycling initiative which exceeded expectations
- A strong year for online in-memory fundraising
- Existing supporters giving significantly more this year due to strong financial asks and stewardship

However our fundraising efforts were hampered by other factors which affected our overall fundraising income:

- Lower take up for existing events by our supporters
- The recruitment of canvassers for the Lottery by our partner, Local Hospice Lottery, has been difficult so affected the number of people signing up to the lottery which will affect our income in the immediate future.
- A significant grant from the National Lottery for Hospice at Home came to an end
- Staff vacancies in a few key posts

We have had a strong year for legacy giving which delivered income of £1.2m which was above budget by £225k.

Fundraising objectives 2022-23

The increase in the cost of living presents an uncertain landscape for fundraising. As such, Isabel Hospice anticipates a further challenging year in 2022-23, especially with Individual Giving.

Whilst our 40th anniversary year will provide us with a few more opportunities to organise events and activities, we expect the number of people signing up to these events to be lower than the years prior to the pandemic due to current economic challenges and uncertainty.

We are, however, expecting the number of community/corporate events and activities and funding from trusts and foundations to remain buoyant due to our ongoing relationship with them.

Our key objectives for the year will be to:

- Raise £2.15m through fundraising activities & £1.2m through legacies through growing and diversifying our Fundraising income streams and introduce new fundraising activities and initiatives.
- Improve data knowledge/understanding through improving supporter care and reaching and engaging new donors.



Retail / Charity Shops

Retail Achievements 2021-22

The Retail/Charity shop business is overseen by the Board of Isabel Hospice Trading Limited, a subsidiary of the Charity. We are extremely grateful for all the support that we have received from our community during 2021-22 – this includes those who donated goods to us and those who purchased items in our stores and online.

Despite our shops being closed at the beginning of the financial year due the pandemic, we finished the year in a strong position with £2.5m income being raised, which exceeded the budget by £61k. Isabel Hospice Trading Limited were able to contribute £428k vs budget of £247k (+73%) to Isabel Hospice Limited.

This success was driven by lower expenditure costs and £99k of income through the Retail, Hospitality and Leisure Grant Fund, Restart Grants and Furlough. We also had the following achievements:

- We increased Bought In Goods including Ling Greetings Cards, Faith In Nature and 2022 Diaries
- We launched new initiatives for stock generation – Mobile Donations Days and Saturday Openings
- We increased trading hours for shops in Bishops Stortford, Welwyn Garden City, Hoddesdon, Hertford and Haldens (Monday openings) providing incremental income.
- Our Galleria store was shortlisted to Top 12 for Charity Retail Awards 2021 Best Windows (national competition) We celebrated 30th Birthday for Bishop's Stortford shop and 25th Birthday for Hatfield shop

However our efforts were hampered by other factors which affected our overall income:

- We were unable to recruit enough volunteers following the pandemic.
- We closed our Hoddesdon Furniture and Electrical shop and announced the closure of our Broxbourne shops, which will close in June 2022.
- There were staff vacancies for some key posts.

Retail Objectives 2022-23

Over the next year, we believe our retail provision will be an important facility for our community especially as the cost of living increases and people may need to rely on our shops and ecommerce service. Throughout 2022/23 we plan to build on the success of our sustainability messaging, clearance shops and Bought in Goods.

At the beginning of the 22-23 financial year, we plan to launch our new sustainability campaign 'Tonnes of Care' which encourages our community to donate to our stores and prevent 25,000 tonnes of good quality items going to landfill sites by 2027. We will partner with Hertford Regional College to undertake a Fashion Show with outfits made from our Clothing RAG (ie clothing that cannot be sold) and launch jute bags, reusable rice husk travel cups, plantable and biodegradable greetings cards, children's books, 100% soy and vegan candles and home fragrance within our stores.

We plan to open a new clearance shop in October 2022 and launch our new transactional website. We will also work with the People Team at Isabel Hospice to increase the number of volunteers who can support our operation and raise more income for our vital service.



Our People

Our people, both staff and volunteers are our greatest resource. The last year has involved a process of reforming the People Team following the dismantling of the shared service as well as undertaking a number of key projects to support the development of a skilled, focussed, high performing and committed workforce of staff and volunteers. We currently employ 171 staff (145.5 Whole Time Equivalent (WTE)) and have 548 active volunteers which is an increase from 325 reported in 2020-21.

During 2021-22 it is estimated that 548 volunteers gave 85,488 hours of their time during the year. This equates to £812,136 (based on national living wage). We are immensely proud of the support provided to the Hospice by our highly valued team of volunteers who give their time, expertise and support to the Hospice in a wide variety of areas from administration, retail, patient services and fundraising. The Board of Trustees would like to thank all volunteers for all that they do.

Work that has been taken forward is described below.

Staff and Volunteer Engagement Survey

The third annual "Birdsong Survey" was undertaken. 87 (51%) of staff and 150 (27%) of volunteers took part. The results suggested many improvements when comparing results from the previous year, particularly in relation to leadership and communication. We have identified 4 areas for focus for 2022-23:

- Communication between teams
- Environment and sustainability
- Processes
- Staff Well-being

Build the Diversity of Our People

We are keen to ensure that our staff and volunteers are reflective of the community that we serve and that we celebrate diversity and are inclusive. During 2021-22 we completed a brainstorming session with key staff members and Trustees. This has enabled us to understand Equity, Diversity and Inclusion (EDI) priorities for 2022-23. These include:

- Undertake a survey to establish baseline of staff understanding of EDI
- Commission challenging and thought provoking training of all staff to raise awareness of EDI
- Establish an EDI forum of staff from across the organisation to engage and seek feedback on EDI actions

Additional Projects Undertaken in 2021-22

These include:

- Collaborating with Garden House Hospice Care to undertake a benchmarking study of staff salaries and roles across the Hospice market to ensure we were competitive and consistent.
- Review of Clinical Salaries and taking action to ensure they were competitive with the NHS. This was to address staff retention and recruitment challenges.
- Implementing a Reward Recognition Scheme for our Staff
- Identifying innovative ways to recruit staff – e.g. Specialist Doctor, Paramedics



Objectives for 2022-23

These include:

- Review of Human Resources and Payroll system
- Review of Volunteer Database
- Development and Implementation of Volunteering Rebrand and Marketing Strategy
- Revisiting Staff and Volunteer Induction Sessions

Financial Review

The financial statements for the year ended 31st March 2022 comprise the results for the Charity and its wholly owned subsidiary Isabel Hospice Trading Ltd.

In a very challenging year, with the Charity and its Trading subsidiary opening up post COVID-19 pandemic, the Charity recorded a strong set of financial results for the 21/22 financial year with a net surplus of £1.3m, a significant reduction on the prior year surplus of £2.5m. The prior year was mainly driven by receipt of Government support grants (Retail, Hospitality and Leisure Grants, NHS England, Job Retention / Furlough grants), material increase in legacy income and the successful delivery of the financial turnaround program that focussed on cost reductions, driving productivity and efficiency initiatives across the Hospice. The Hospice has continue to concentrate on focussed cost reduction however with fully opening pressure has been on establishment costs, returning to required headcount and having to give pay increase to attract / retain staff, having to match NHS rates of pay.

Income

Total income for the year decreased by £1.0m (14%) to £8.5m. Included in these figures a reduction in government grants totalling £1.6m received as a result of the support package for Hospices that impacted the results in 2020/1.

The NHS awarded funding to allow the Hospice to make available bed capacity and community support from December 21 to March 22 this gave us £688k of income to provide support to people with complex needs in the context of the COVID-19 situation this support will now end and no funding is expected in 2022/23.

Income from fundraising donations and recognised legacies (excluding lottery and event income) was down 24% to £2.5m (2021: £3.4m). The charity had another good year with Legacy income with recognised income from this source decreasing to £1.2m (2021: £1.9m). Legacies which were notified but not yet met the income recognition criteria amounted to £0.6m (2021: £1.2m), these have been treated as contingent assets and not recognised as part of income for the year.

Income from Charitable Activities was down 25.% to £2.7m (2021: £3.6m) mainly driven by a maintaining the level of funding from our core CCG contract and receipt of a number of COVID related government support grants were down £1.6m.

Income from Other Trading Activities increased by 29% to £3.3m (2021: £2.5m). Key drivers of this increase were a 155% growth in Charity Shop income to £2.5m (2021: £1m) and 66% growth in Fundraising event income to £0.4m (2021: £0.3m). The COVID-19 pandemic support and grants declined by 90% to £0.1m (2021: £1.0m) as a result of funding being reduced as all shops including our ecommerce operations opened fully in April 21.

At the end of the financial year, the Group held net assets of £8.1m (2021: 6.8m). Net current assets decreased to £2.7m (2021: £3.5m).



Total cash in hand available to the Hospice at the balance sheet date slightly decreased by £0.1m to £2.6m (2021: £2.8m). This was achieved by strong performance as the charity reopened post Covid-19 restrictions and removal of support grants locally and from central government and focus on prudent management of cash throughout the year.

Total funds for the Hospice at the end of the year was £8.1m (2021: £6.8m). Our unrestricted funds comprise of a £3.0m in general funds, £3.6m of designated funds. Our restricted funds comprise of endowment funds of £836k and other restricted funds of £742k.

Risk reserves

The trustees have chosen to adopt a risk based approach to income streams in setting a target level for risk reserves, making an assessment of the amount of each income line which could be at risk in any one year. This approach fits hand in hand with our review of strategic risks and provides a funding mitigation for many of the risks identified. The reserves also specifically recognize the risks associated with planned growth / development of new income streams.

Following a review of its Risk Reserve policy and targets at the end of the last financial year, the Trustees set a new target of £1.1m to manage the risk of potential fluctuations or underperformance in key income streams. Following solid financial performance in its financial results for the 2022 financial year, the Charity has maintained its Risk Reserve fund back to £1.1m and also increased its free reserve position to £1.5m.

Working Capital and Cashflow

A vital factor for any organisation is having sufficient working capital and cashflow – this varies between organisations based on the nature of income streams and expenditure. We have benefitted for many years by our NHS Clinical Commissioning Group (CCG) contract paying us the full contract amount (c£1.9m) forwarded in quarterly upfront payments.

We produce a cashflow forecast and monitor our cashflow position monthly to provide additional scrutiny of our cash performance and reserves. Our year end cash position improved significantly by 100% to £2.6m as a result of the prudent management of cash during the period. This position has provided the Charity with at least 3 months cover for operational working capital requirements.

Going Concern

Trustees recognise the requirement to assess the going concern of the Charity.

The Charity has sufficient working capital to provide a contingency if required and the trustees are satisfied That there are no unmanaged material uncertainties impacting the Charity's ability to remain a going concern, and so can conclude there is a reasonable expectation that the Charity will be a going concern for at least 12 months from the signing of this report and accounts.



Key Risks and Uncertainties

Following best practice guidelines, including those of the Charity Commission, Isabel Hospice constantly reviews all risks through risk registers. These are considered by the Board Sub-committees and Isabel Hospice Trading Board. High scoring operational risks are seen by the Board as well as the strategic risks identified.

High level risks identified in 2021-22 were as follows:

Delivery of Clinical Services affected by Shortages of Clinical Staff

There is a risk that the delivery of clinical services is reduced due to shortages of clinical staff due to sickness and vacancies, and difficulty in recruiting staff. To address we have increased salaries of clinical staff so that they are equivalent to NHS Agenda for Change rates, we have appointed paramedics who are looking for a change in role and trained them in palliative and end of life care, and appointed to a new role of Specialist Doctor who operates at Consultant level and is now our Medical lead.

Reduced Income

This includes fluctuations in Fundraising (including legacy), partly due to rising inflation and cost of living and Retail contribution to the charity. It also includes the risks we face from a changing NHS commissioning landscape through a move from local Clinical Commissioning Groups (CCGs) to Integrated Care Partnerships (ICPs) and Integrated Care System (ICS) and Board. While challenging, this situation presents us with an opportunity to work further with partners in the development of palliative and end of life care for a larger population in partnership with local hospices. To address the risk of reduced income, we are continuing to develop a diverse fundraising portfolio, developing a programme of legacy stewardship, looking at ways of increasing donations of goods and income in our shops and identifying alternative income streams.

Increased Demand for Hospice Services

It is estimated that 50% of people with palliative care needs are not met by those working in palliative care services. There is also a growing population in East Hertfordshire, who are living with more morbidities. We are also aware that some groups, who are more difficult to engage are not aware of services. Our view is that everybody should be able to access to palliative care services. This could lead to increase demand. We will continue to look at ways in which we can support more people, using technology when it is appropriate.

Investment Returns

Returns from investments are now a contributor to the Charity's overall performance and are always a significant risk factor. Investment performance is regularly reviewed and an active relationship maintained with the external advisors to mitigate investment risk.

Structure, Governance and Management

Isabel Hospice Limited is a registered charity and a company limited by guarantee without share capital and is governed by its memorandum and articles of association. The group includes a wholly owned subsidiary company, Isabel Hospice Trading Limited, through which its retail trading activities are carried out.

The charity works in partnership with local GPs, the CCG, local NHS hospitals and many other health care providers, residential nursing homes and care homes to ensure the highest quality care and support for our patients and their families.

The Board of Trustees normally operates a quarterly meeting cycle with sub committees meeting in the 4 weeks



before the main Board meeting. The sub committees have specific Terms of Reference which include oversight of key areas of the charity's work. These are:

- Finance and Risk
- Clinical Quality and Education
- People
- Fundraising and Marketing

The retail operations are governed separately by the Board of Directors of our Trading Company, Isabel Hospice Trading Ltd. All directors are Trustees.

Board Performance

The Board aims to continuously improve its effectiveness. At the end of each meeting there is a reflection on what went well and what could have gone better.

Trustee Recruitment

Four Trustees were appointed during 2021-22, following a success recruitment process.

Trustee Remuneration

Trustees' travel expenses are reimbursed if claimed. No trustee was remunerated during the year and no trustee had a beneficial interest in any contract with the charity or its subsidiary during the year.

Trustee liability

The liability of each trustee, in the event of winding up, is limited to £11.

Executive Management

The trustees delegate day-to-day management of the charity to the Chief Executive and through that person to the Executive Team.

The following changes occurred to the Executive Team:

- **Director of Income Generation and Marketing** – appointed 4th January 2022.
- **People Director** – appointed 4th January 2022.
- **Director of Finance and Resources** – resigned on 1st April 2022.

Investment Policy

The trustees have the power to make investments that are consistent with the aims and objectives of the charity. Surplus resources are currently held in easy access accounts given the low interest rates to furnish cash requirements of the organisation. During 2021/22 we have invested with Quilters Cheviot further excess funds in charity friendly scheme.

Fundraising Policy

The trustees recognise that the charity could not deliver its services without the support of the local community. It is the charity's policy to form positive relationships with donors and it therefore seeks to adhere to high quality fundraising standards. In addition the charity does not accept donations from donors with interests that might conflict with the mission of the charity.



Executive Remuneration

The charity approach to pay policy is consistent for our staff and the Executive team. Our policy is designed to enable us to attract, retain and motivate high performing Executive team members. It also aims to demonstrate to our stakeholders (particularly funders and service users) that our pay levels are set to support delivery of the charity's aims and are an effective use of charitable funds.

The objectives of our pay policy are to:

- reward staff appropriately and enable the recruitment of a high calibre Executive Team ensure the proper use of the charity's resources in accordance with its aims and within affordable limits based on the financial circumstances of the charity
- be non-discriminatory, just and equitable in the evaluation of jobs and their remuneration by providing a stable framework for the remuneration of the Executive team operate within the law
- pay at a competitive level taking account of external market rates, with the aim being to set pay at the median level or above for comparable posts in the voluntary sector subject to the charity's financial position.

The charity publishes the salary of its key management personnel within its annual report. The number of staff paid over £60,000 is also published in accordance with the charity accounting requirements.

Executive pay is reviewed on an annual basis by the People Committee and is subject to approval by the Board of Trustees, which is responsible for ensuring proper application of our pay policy.

Future

The Hospice Board agreed a deficit budget for 2021-22 of £465k. The Hospice delivered a surplus of £1.3m due to £0.5m unexpected income from Hospice UK to help negate Covid-19 pressures, tight cost control and slower than planned build back to full establishment following opening up the Hospice. For 2022-23, the Hospice Board has again agreed a deficit budget of £460k. This is expected to be a challenging year mainly driven mainly by post COVID effect and the general increase in cost of living as a result of key world events, and no expectation of further support from the government. The Board still has the ambition to reach balanced budgets in future years.



Fundraising Procedures Disclosure

Isabel Hospice accounts to 31 March 2022 Our approach to fundraising

Isabel Hospice is registered with the Fundraising Regulator. Our income is generated predominately thanks to the support of our community, including legacies, gifts in memory of family members who have died in our care, regular donations, our lottery, and individual fundraisers raising income at our events or their own events.

Fundraising Practices

As part of our commitment to best practice, Isabel Hospice adheres to the fundraising Codes of Practice set by the Fundraising Regulator and the Institute of Fundraising. We aim to ensure that our fundraising is respectful, open, honest and accountable to the public.

We have a clearly documented complaints procedure in place, enabling any concerns regarding our fundraising activities to be responded to quickly. During the year, there have been no instances of non-compliance with the requirements of the fundraising code of practise.

We have a transparent policy regarding fundraising with vulnerable individuals. This fundraising policy clearly states all steps that should be followed in order to protect vulnerable people when offering support to the charity, ensuring that they have the relevant capacity to enable them to make the decision to donate.

Fundraising Practices Review

All fundraising practices are framed within the values and principles of Isabel Hospice. Where expenditure is required to generate income, there is an analysis of the return on investment to ensure the organisation is able to make informed decisions regarding activities.

The fundraising team are internal and the organisation only uses third party fundraising organisations following significant levels of due diligence and regulatory checks.

Where we partner with corporates, due diligence is conducted on the organisations and the amount of time and effort we as a charity needed to put in, versus the income we would likely receive. Clear parameters and responsibilities are then agreed between partners.

We have ensured we are in line with the GDPR data protection regulations and all other relevant codes of conduct.

Fundraising strategy and plan.

Our fundraising strategy and plan is reviewed and approved by the Trustees annually. Isabel Hospice is the brand name for our fundraising activities.

Supporters of Isabel Hospice are a key element in the fundraising activities and we are committed to employing a transparent and ethical approach to all our fundraising activities.



To help guarantee the availability of continuing funds to fund the work of Isabel Hospice, we aim to maintain a broad base of funding sources. Isabel Hospice does not pressure supporters to make gifts and respects decisions to stop giving. The regulatory landscape for fundraising is evolving and we will continue to monitor and adapt with these changes. When we work with suppliers and agencies we ensure that they are fully registered with all the appropriate regulatory bodies, reviewing all their policies as part of our robust procurement due-diligence process. We monitor and record any complaints resulting from our fundraising practices, and an annual report is provided to our Fundraising Committee.

Fundraising, Communications and Marketing

Total voluntary income was £2.5m (2021: £3.4m). Most voluntary income comes from the following sources: Legacies, Donations in Memoriam, Trusts and Events and Lottery Income.

Regulation

Isabel Hospice is registered with the Fundraising Regulator, follows the Regulator's Code of Fundraising Practice and abides by its Fundraising Promise.

Additionally, three members of the Fundraising, Team are members of the Institute of Fundraising. Supporters have the option to request no further mailings and we abide by such requests immediately.

Individuals

Legacies make up a substantial proportion of Isabel Hospice's voluntary income. Legacies are hard to predict, but not accidental, being the result of good service and good publicity from the charity.

Donations in Memoriam

We continued to receive support from individuals and their families who support Isabel Hospice in memory of their loved ones who were cared for by the Hospice.

Events

We organised a number of successful fundraising events in the year including the Isabel Hospice 'Bubble Rush', On-your-bike bike ride around Bishops Stortford, Bridges of London sponsored walk, challenge adventure in the Canadian Rockies, over 11 participants in the London Marathon, sponsored skydiving and abseiling.

Lottery

Our in-house lottery continues to be well supported, with over 7,200 members and continues to generate significant income for the Hospice.

Communications and Marketing work

The team worked closely with others to market Isabel Hospice's services. We developed and widely implemented a new visual identity, multiple newspaper articles, advertising, newsletters and significant increase in our digital social media presence on twitter, Instagram, Facebook.



Legal Framework and Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2022 was 11 (2021: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.



Auditor

Sayer Vincent LLP were re-appointed as the charitable company's auditor during the year.

So far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees' annual report has been approved by the trustees on 28 September 2022 and signed on their behalf by



Terry Philpott
Chair of Trustees



Trustees' Annual Report for the Year Ended 31 March 2022

Trustees:

The trustees are also members
and directors of the company

R A Leggetter (Chair) Resigned 21st October 2021
S Reddy (Vice Chair)
J Quinn
S Fuell
D Perry
T Philpott (Chair from 22nd October 2021)
A Reeve
Keith Warnell (Resigned 9th September 2021)
I Williams
O Cholak (Appointed 1st December 2021)
M Cottrell (Appointed 1st December 2021)
R Chrome (Appointed 1st December 2021)
D Shirley (Appointed 1st December 2021)

Secretary:

H Glenister

Executive Team:

H Glenister – CEO
T Koramoa – Director of Finance & Resources (Resigned 1st
of April 2022)
E Paske – Clinical Director
L Hopley – People Director (Joined - 4th January 2022)
N Gilbert Director of Income Generation and Fundraising
(Joined 4th January 2022)

Registered Office:

61 Bridge Road East Welwyn Garden City Hertfordshire
AL7 1JR

Company Registered

03056823 (England and Wales) United Kingdom

Number: Country of

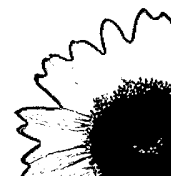
Incorporation:

Charity Registered Number:

1046826

Country of Resignation:

England and Wales



Auditors:

Sayer Vincent
Sayer Vincent LLP Invicta House
108-114 Golden Lane London EC1Y 0TL

Principal Bankers:

The Co-operative Bank
St Paul's House 10 Warwick Lane
London
EC4M 7BP



Opinion

We have audited the financial statements of Isabel Hospice Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.



We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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



Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other



than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

31 October 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



Isabel Hospice Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	2021 Total £'000
Income from:									
Donations and legacies	2	2,066	482	-	2,549	2,992	360	-	3,352
Charitable activities	3	1,994	681	-	2,675	2,125	1,436	-	3,561
Other trading activities	4	3,267	-	-	3,267	2,531	-	-	2,531
Total income		7,327	1,163	-	8,490	7,648	1,796	-	9,444
Expenditure on:									
Raising funds	5	3,261	-	-	3,261	3,209	-	-	3,209
Charitable activities		2,770	1,118	-	3,888	1,981	1,863	-	3,844
Total expenditure	5	6,031	1,118	-	7,150	5,190	1,863	-	7,053
Net income / (expenditure)		1,296	45	-	1,341	2,458	(67)	-	2,397
Transfers between funds		-	-	-	-	(7)	7	-	-
Net expenditure before other recognised gains and losses		1,296	45	-	1,341	2,451	(60)	-	2,397
Gain on disposal of investment property		-	-	-	-	20	-	-	20
Gains / (losses) on investments		(25)	-	-	(25)	6	-	-	6
Net movement in funds		1,271	45	-	1,316	2,477	(60)	-	2,417
Reconciliation of funds:									
Total funds brought forward		5,292	697	836	6,825	2,815	757	836	4,408
Total funds carried forward		6,563	742	836	8,141	5,292	697	836	6,825

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 19.

Isabel Hospice Limited
Balance sheet

Company no. 03056823

As at 31 March 2022

	Note	The group		The charity	
		2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Fixed assets:					
Tangible assets	10	3,103	3,054	2,998	2,923
Investments	11	2,436	318	2,436	318
		<u>5,539</u>	<u>3,372</u>	<u>5,434</u>	<u>3,241</u>
Current assets:					
Stock		5	1	-	-
Debtors	12	880	1,104	1,160	1,154
Cash at bank and in hand		2,625	2,792	1,757	2,716
		<u>3,510</u>	<u>3,896</u>	<u>2,916</u>	<u>3,870</u>
Liabilities:					
Creditors: amounts falling due within one year	13	849	419	703	351
		<u>2,661</u>	<u>3,477</u>	<u>2,213</u>	<u>3,519</u>
Net current assets					
		<u>8,200</u>	<u>6,849</u>	<u>7,647</u>	<u>6,760</u>
Total assets less current liabilities					
Provisions for liabilities	15	59	24	-	-
		<u>8,141</u>	<u>6,825</u>	<u>7,647</u>	<u>6,760</u>
Total net assets					
		<u><u>8,141</u></u>	<u><u>6,825</u></u>	<u><u>7,647</u></u>	<u><u>6,760</u></u>
Funds:	20				
Unrestricted income funds:					
General funds		2,979	1,783	2,485	1,719
Designated funds		3,584	3,509	3,584	3,509
Revaluation reserve		-	-	-	-
		<u>6,563</u>	<u>5,292</u>	<u>6,069</u>	<u>5,228</u>
Total unrestricted funds					
		<u>6,563</u>	<u>5,292</u>	<u>6,069</u>	<u>5,228</u>
Endowment funds		836	836	836	836
Restricted funds		742	697	742	697
		<u>8,141</u>	<u>6,825</u>	<u>7,647</u>	<u>6,760</u>
Total funds		<u><u>8,141</u></u>	<u><u>6,825</u></u>	<u><u>7,647</u></u>	<u><u>6,760</u></u>

Approved by the trustees on 28 September 2022 and signed on their behalf by



 Terry Philpott
Chair of Trustees

Isabel Hospice Limited

Consolidated statement of cash flows

For the year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities	2,324	2,170
Cash flows from investing activities:		
Purchase of property, plant and equipment	(347)	(99)
Proceeds from disposal of property, plant and equipment	-	22
Purchase of investments	(2,143)	(619)
Proceeds from the sale of investments	-	307
Proceeds from sale of investment property	-	305
Net cash (used in) investing activities	(2,490)	(84)
Change in cash and cash equivalents in the year	(166)	2,086
Cash and cash equivalents at the beginning of the year	2,791	705
Cash and cash equivalents at the end of the year	2,625	2,791

Notes to the cash flow statement

Reconciliation of net income to net cash flow from operating activities

	2021 £'000	2020 £'000
Net income (expenditure) (as per statement of financial activities)	1,316	2,417
Adjustments for:		
Depreciation charges	299	280
(Gains)/losses on investments	25	(6)
Profit on sale of investment property	-	(20)
(Increase) /Decrease in stocks	(4)	10
Decrease/(Increase) in debtors	224	(585)
Increase in creditors	429	74
Increase in provisions	35	-
Net cash provided by operating activities	2,324	2,170

1 Accounting policies

a) Statutory information

Isabel Hospice is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 61 Bridge Road East, Welwyn Garden City, Hertfordshire, AL7 1JR.

b) Basis of preparation

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

These financial statements consolidate the results of the charitable company and its subsidiary Isabel Hospice Trading Limited on a line by line basis. The trading company is limited by guarantee and is therefore not owned by the charity. Nonetheless its results have been consolidated as it trades for the benefit of the charity and the two companies are managed on a unified basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

d) Going concern

The trustees recognise the requirement to assess the going concern of the Charity. Following a number of challenging years, the Charity reopened its shops in April 2021 and restarted community events and services. The Charity had in 2021/22 another good year having budgeted a deficit in 2021/22 of £465k it has delivered a surplus £1312k, £1777k better than planned. The budget for 2022/23 is a deficit of £460k but it expected with strong income generation from retail and fundraising for another surplus in year

Efficient management of cash during the year also resulted in the Charity recording a cash and investment balance at the end of March 2022 of £5.0m (up £2.7m on prior year) further improving the its liquidity and cash position and providing additional resilience to mitigate any liquidity risks. The outlook for the next financial year from a cash perspective also remains very positive with a cash balance of £5.6m forecasted to be delivered 12 months after the sign off date (without the sale of Milan House).

The Charity owns the freehold for its Head Office building - Milan House. Due to the current limited space requirements for staff as a result of hybrid working arrangements, the sale of Milan House is also to help the Hospice take advantage of a development opportunity and concurrently find a more suitable charitable base and to ensure that the Charity obtains best value for its assets, the Board of Trustees have accepted an offer for the sale of Milan House of £3.2m subject to planning permission. The sale is expected to be concluded within the next twelve months after the signing of this years accounts and proceeds of this sale is expected to provide additional cash to boost the Hospice's liquidity and cash reserves.

The Charity has sufficient working capital to provide a contingency if required and the trustees are satisfied that there are no unmanaged material uncertainties impacting the Charity's ability to remain a going concern for the coming 12 months.

1 Accounting policies (continued)

e) Income

Income (which excludes VAT) is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or when the donor has specified that the income is to be expended in a future period.

1. Clothing and other items donated for resale are included as incoming resources when they are sold.

2. Facilities, services and assets donated for use by the Charity are recognised as incoming resources, at their value to the Charity, when receivable. No amounts are included in the financial statements for the very substantial assistance provided by volunteers.

3. Income from the lottery is recognised as members participate in draws.

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

5. Income from fundraising events organised by the Charity centrally are recognised when funds are received.

6. Income from charitable activities comes from service contracts and grants and is subject to specific performance conditions. Such income is recognised as it is earned.

7. Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

f) Donations of gifts, services and facilities

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

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

g) 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.

h) Fund accounting

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

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

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Endowment fund is an expendable endowment arising from a legacy to the Hospice. The legacy gives the trustees discretionary powers to use the endowment to fund capital projects. Any income from the endowment is unrestricted and may be used for the general purposes of the charity.

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of medical, in-patient care and community care undertaken to further the purposes of the charity and their associated support costs

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

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this Support and governance costs are re-allocated to each of the activities based on direct costs attributable to each activity.

- | | |
|--------------------|-----|
| • Medical | 5% |
| • In-patient care | 25% |
| • Community care | 18% |
| • Support services | 6% |
| • Raising funds | 46% |

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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

- | | |
|--|---|
| • Short Leasehold Property | on a straight- line basis over the shorter of duration of the lease and useful economic life. |
| • Plant, Machinery equipment and vehicles. | at varying rates between 10% and 33% on cost. |

The group's policy is to revalue freehold and long leasehold shops periodically so that their carrying value in the accounts represents market value. The gains and losses arising from these revaluations are unrealised and are disclosed separately in the SOFA.

The group's policy is to depreciate revalued properties over a period not exceeding fifty years but, as the residual values of the properties is very high, the cumulative charge for depreciation is immaterial and therefore no charge is included in these accounts.

The group does not revalue freehold properties used for direct charitable purposes. These buildings (but not land), and related improvements, are depreciated over their estimated useful lives, which have been assessed to vary between ten and fifty years.

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Listed investments

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

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies (continued)**o) Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

p) Debtors

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

q) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

r) Cash at bank and in hand

Cash at bank and cash 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.

s) Creditors and provisions

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

t) 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. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

u) Pensions

The group contributes to a number of defined contribution pension schemes and to the NHS pension scheme.

The NHS pension scheme is a multi-employer defined benefit scheme and the assets of the scheme are held separately from those of the charities in an independently administered fund. The Charity is unable to identify its share of this scheme's assets and liabilities and is therefore, as permitted by FRS 102, treated as if it were a defined contribution pension scheme. Pension contributions payable for the year to the various pension schemes are charged to the SOFA.

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Legacies	1,202	-	1,202	1,941	-	1,941
Donations in memoriam	286	-	286	199	-	199
Other donations	579	482	1,061	852	360	1,212
	<u>2,066</u>	<u>482</u>	<u>2,549</u>	<u>2,992</u>	<u>360</u>	<u>3,352</u>

Contingent assets, relating to legacies which have been notified but do not yet meet the income recognition criteria detailed in note 1 of the financial statements, amount to £645,500 (2021: £1,233,000).

Notes to the financial statements

For the year ended 31 March 2022

3 Income from charitable activities

			2022			2021
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Main CCG contract	1,858	-	1,858	1,877	-	1,877
Other NHS income	15	-	15	5	-	5
Provision of staff and sundry other income	121	681	802	243	1,436	1,679
	1,994	681	2,675	2,125	1,436	3,561

The total amount claimed under the government Job retention scheme is £13,300 (2021: £526,808), this was all included within the charity (2021: this is split between retail in note 4 - £440,141 and other areas of the charity in provision of staff above - £86,667).

4 Income from other trading activities

			2022			2021
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Fundraising events	422	-	422	254	-	254
Charity shop income	2,532	-	2,532	993	-	993
Lottery income	214	-	214	332	-	332
Retail, Hospitality and Leisure Government	99	-	99	952	-	952
	3,267	-	3,267	2,531	-	2,531

Isabel Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

5a Analysis of expenditure (current year)

	Charitable activities							2022 Total £'000	2021 Total £'000
	Raising funds	Medical	In-Patient Care	Community Care	Support Services	Governance costs	Support costs		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Payroll	1,554	189	968	927	410	-	734	4,782	4,840
Premises	663	-	228	52	-	-	86	1,029	910
Lottery prizes	-	-	-	-	-	-	-	-	77
Shop expenses	226	-	-	-	-	-	-	226	192
Transport	12	-	-	-	-	-	-	12	19
Event costs	42	-	-	-	-	-	-	42	60
Medical Supplies	-	37	32	-	-	-	-	69	75
Catering	-	-	99	-	-	-	-	99	97
Other Costs	161	1	102	8	5	-	367	644	539
Audit and Accounts preparation fees	-	-	-	-	-	32	-	32	29
Other Staff costs	22	27	39	20	34	-	105	247	215
	2,680	254	1,468	1,007	449	32	1,292	7,182	7,053
Support costs	581	65	323	233	90	-	(1,292)	-	-
Governance costs	-	-	-	-	-	-	-	-	-
Total expenditure 2022	3,261	319	1,791	1,240	539	32	-	7,182	
Total expenditure 2021	3,209	336	1,806	1,291	411	-	-		7,053

Isabel Hospice Limited

Notes to the financial statements

For the year ended 31 March 2022

5b Analysis of expenditure (prior year)

	Charitable activities							2021 Total
	Raising funds	Medical	In-Patient Care	Community Care	Support Services	Governance costs	Support costs	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Payroll	1,588	167	981	994	316	-	794	4,840
Premises	549	-	225	35	-	-	101	910
Lottery prizes	77	-	-	-	-	-	-	77
Shop expenses	192	-	-	-	-	-	-	192
Transport	19	-	-	-	-	-	-	19
Event costs	60	-	-	-	-	-	-	60
Medical Supplies	-	36	39	-	-	-	-	75
Catering	-	-	97	-	-	-	-	97
Other Costs	120	3	123	12	5	-	276	539
Audit and Accounts preparation fees	-	-	-	-	-	29	-	29
Other Staff costs	22	69	13	16	15	-	80	215
	2,627	275	1,478	1,057	336	29	1,251	7,053
Support costs	582	61	328	234	75	-	(1,280)	-
Governance costs	-	-	-	-	-	-	-	-
Total expenditure 2021	3,209	336	1,806	1,291	411	29	(29)	7,053

Notes to the financial statements

For the year ended 31 March 2022

6 Net income / (expenditure)

This is stated after charging:

	2022 £	2021 £
Depreciation - owned assets	299	280
Operating leases - rent	367	402
Auditor's remuneration (excluding VAT):		
Statutory audit	24	22
Non-audit services	8	7
	<u> </u>	<u> </u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	4,167	4,277
Redundancy and termination costs	5	42
Social security costs	358	291
Pension contributions	251	230
	<u>4,780</u>	<u>4,840</u>

The average number of employees, including part-time staff, analysed by function was:

	FTE 2022 No:	Headcount 2022 No:	FTE 2021 No:	Headcount 2021 No:
Charitable activities				
Medical	2	4	2	7
In-Patient Care	24	40	25	54
Community Care	22	32	27	38
Other Patient Services	9	12	9	13
Total	<u>57</u>	<u>88</u>	<u>63</u>	<u>112</u>
Costs of raising funds				
Fundraising	11	13	13	14
Charity shops	44	65	48	74
Support Services	16	21	18	22
Total	<u>72</u>	<u>99</u>	<u>79</u>	<u>110</u>

	2022 No.	2021 No.
£60,000 - £69,999	-	1
£70,000 - £79,999	3	1
£80,000 - £89,999	1	2
£90,000 - £99,999	-	-
£120,000 - £129,999	-	-
	<u> </u>	<u> </u>

For one of these employees (2021: one employee), the charity made a pension contribution of £5,236 (2021: £2,480) to a defined pension contribution scheme.

Total employee benefits (including pension contributions and employer's national insurance) received by key management personnel amounted to £298,788 (2021: £436,064).

8 Trustee remuneration and related party transactions

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling nil (2021: £5,389) incurred by nil (2021: 6) members relating to attendance at meetings of the trustees.

The aggregate value of all unrestricted donations from related parties (excluding the gift aid receivable from Isabel Hospice Limited) amounted to £1,924 (2021: £1,737). In 2021, Rod Leggetter (Trustee) donated £nil (2021: £3,242) for restricted events.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Isabel Hospice Trading distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2022	2021
	£'000	£'000
UK corporation tax at 19%	-	-

10 Tangible fixed assets

	Freehold property £'000	Short leasehold £'000	Plant machinery £'000	Total £'000
The group				
Cost or valuation				
At the start of the year	3,872	763	501	5,136
Additions in year	5	17	325	347
Disposals in year	(108)	(133)	(338)	(579)
At the end of the year	3,769	647	488	4,904
Depreciation				
At the start of the year	1,141	579	362	2,082
Charge for the year	129	72	97	299
Eliminated on disposal	(108)	(133)	(338)	(579)
At the end of the year	1,162	519	121	1,802
Net book value				
At the end of the year	2,607	129	367	3,103
At the start of the year	2,731	184	139	3,054
	Freehold property £'000	Short leasehold property £'000	Plant machinery equipment and vehicles £'000	Total £'000
The charity				
Cost or valuation				
At the start of the year	3,873	291	348	4,512
Additions in year	5	-	284	289
Disposals in year	(108)	(3)	(247)	(358)
At the end of the year	3,770	288	385	4,443
Depreciation				
At the start of the year	1,142	209	238	1,589
Charge for the year	129	18	67	214
Eliminated on disposal	(108)	(3)	(247)	(358)
At the end of the year	1,163	224	58	1,445
Net book value				
At the end of the year	2,607	64	326	2,998
At the start of the year	2,731	82	110	2,923

All of the above assets are used for charitable purposes.

11 Investments

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Fair value at the start of the year	318	-	318	-
Additions at cost	2,143	619	2,143	619
Disposal proceeds	-	(307)	-	(307)
Net gain / (loss) on change in fair value	(25)	6	(25)	6
Fair value at the end of the year	2,436	318	2,436	318

Investments comprise:

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Shares listed on the London Stock Exchange	2,436	318	2,436	318

12 Debtors: amounts falling due within one year

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	32	77	27	72
Prepayments	168	150	67	54
Other debtors	166	58	86	57
Accrued income	514	819	509	764
Due from Isabel Hospice Trading Limited	-	-	471	207
	880	1,104	1,160	1,154

13 Creditors: amounts falling due within one year

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	519	98	417	67
Other creditors	26	23	26	23
Taxation and social security	143	124	122	104
Accruals	149	102	127	86
Deferred income (note 15)	11	72	11	71
	849	419	703	351

Notes to the financial statements

For the year ended 31 March 2022

14 Provisions for liabilities

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
At 1 April 2021	24	24	-	-
Added in the year	35	-	-	-
At 31 March 2022	59	24	-	-

All leased premises are kept in a good state of repair. The subsidiary Trading company has obligations under its leases to redecorate periodically and to leave the premises in a previously-agreed condition. Having assessed the current condition of all leased premises, the Directors of the Trading Company consider that, at the balance sheet date, the cost of any such remedial works would not exceed £58,935 (2021: £24,360) and so a provision for this sum has been included in these accounts.

15 Deferred income

Deferred income of £11k represents lottery receipts for draws that have not taken place at the balance sheet date (2022: £2k, 2021: £60k), and lottery licence fee income (2022: £9k, 2021: £12k).

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Balance at the beginning of the year	72	64	72	64
Amount released to income in the year	(72)	(64)	(72)	(64)
Amount deferred in the year	11	72	11	72
Balance at the end of the year	11	72	11	72

Isabel Hospice Limited**Notes to the financial statements****For the year ended 31 March 2022****16 Isabel Hospice Trading Limited**

The principal activity of Isabel Hospice Trading Limited (whose company number is 02417607) is the sale of purchased and donated articles. A summary of the trading results is shown below:

	2022 £'000	2021 £'000
Turnover and other operating income	2,631	1,945
Cost of sales and administrative costs	(2,202)	(1,998)
Net profit	428	(53)
Total retained earnings brought forward	94	147
(Loss) / Profit for the financial year	428	(53)
Gift aid distribution to the charity	(428)	-
Total retained earnings carried forward	95	94

During the year, the trading company paid to the Parent Charity £160,000 (2021: £160,000) for property rent and support services provided by Charity.

The assets and liabilities of the trading subsidiary were:

	2022 £'000	2021 £'000
Tangible assets	134	159
Current assets	1,065	234
Creditors within one year	(617)	(275)
Provisions for liabilities	(59)	(24)
Aggregate net assets	523	94

17 Parent charity

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

	2022 £'000	2021 £'000
Gross income	6,020	7,660
Result for the year	912	2,474

18 Pension scheme

NHS Pension Scheme

The charity operate an NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employees, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable each body to identify its share of the underlying scheme assets and liabilities. Therefore the scheme is accounted for as if it were a defined contribution scheme.

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

Notes to the financial statements

For the year ended 31 March 2022

19a Analysis of net assets between funds (current year)

	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Fixed assets		2,484	619	-	3,103
Investments	2,436	-	-	-	2,436
Net current assets	602	1,100	123	836	2,661
Provisions for liabilities	(59)	-	-	-	(59)
Net assets at 31 March 2022	2,979	3,584	742	836	8,141

19b Analysis of net assets between funds (prior year)

	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Fixed assets	-	2,409	645	-	3,054
Inv	318	-	-	-	318
Net current assets	1,489	1,100	52	836	3,477
Provisions for liabilities	(24)	-	-	-	(24)
Net assets at 31 March 2021	1,783	3,509	697	836	6,825

Notes to the financial statements

For the year ended 31 March 2022

20a Movements in funds (current year)

	At 1 April 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2022 £'000
Endowment funds	836	-	-	-	836
Restricted funds:					
Hospice UK	-	681	(681)	-	-
<i>Capital development funds:</i>					
Building appeal	645	-	(26)	-	619
<i>Service delivery funds</i>					
Community Services Big Lottery Fund	-	124	(124)	-	-
Equipment	-	15	(15)	-	-
Family Support	-	54	(51)	-	2
Day Services	-	4	(4)	-	-
Other	36	270	(199)	-	106
Training	16	16	(18)	-	14
Total restricted funds	697	1,163	(1,118)	-	742
General funds	1,783	7,327	(6,056)	(75)	2,979
Designated funds:					
Fixed Asset fund	2,409	-	-	75	2,484
Risk Reserve Fund	1,100	-	-	-	1,100
Total unrestricted funds	5,292	7,327	(6,056)	-	6,563
Total funds	6,825	8,490	(7,174)	-	8,141

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements

For the year ended 31 March 2022

20b Movements in funds (prior year)

	At 1 April 2020 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2021 £'000
Endowment funds	836	-	-	-	836
Restricted funds:					
Hospice UK	-	1,436	(1,436)	-	-
<i>Capital development funds:</i>					
Building appeal	671	-	(26)	-	645
<i>Service delivery funds</i>					
Community Services Big Lottery Fund	35	27	(62)	-	-
Equipment	22	20	(42)	-	-
Family Support	(7)	42	(42)	7	-
Day Services	3	5	(8)	-	-
Other	17	266	(247)	-	36
Training	16	-	-	-	16
Total restricted funds	757	1,796	(1,863)	7	697
General funds	(56)	7,673	(5,190)	(645)	1,783
Designated funds:					
Fixed Asset fund	2,509	-	-	(100)	2,409
Risk Reserve Fund	-	-	-	1,100	1,100
Revaluation reserve	362	-	-	(362)	-
Total unrestricted funds	2,815	7,673	(5,190)	(7)	5,292
Total funds	4,408	9,469	(7,053)	-	6,825

20 General funds

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 the other purposes.

Designated funds

The Fixed Asset fund is represented by fixed assets, net of associated liabilities and after deducting amounts included within the revaluation reserve and those other assets where use has been restricted. Transfers are made between funds to maintain the carrying value.

As a result of the material surplus generated by the Charity in the 2020/21 financial year, the Trustees have decided to allocate some of the surplus to replenish the Risk Reserve Fund up to the minimum required of £1.1m. The risk reserves fund is held to manage the risk of potential fluctuations or underperformance in key income streams.

Endowment funds

The endowment fund is an expendable endowment arising from a legacy to the Hospice. The legacy gives the trustees discretionary powers to use the endowment to fund capital projects. Any income from the endowment is unrestricted and may be used for the general purposes of the charity.

Restricted funds

The *Building Appeal fund* represents the proceeds of a special appeal that have been utilised to construct an annex to the In-Patient Unit. The balance is reduced as the related assets are depreciated.

The Community Services fund comprises a grant from the Big Lottery Fund to help expand a "hospice at home" service and various small grants to help fund the provision of patient care in the community and at home. The grants are principally used principally to help pay the staff employed for those purposes.

The Equipment Fund comprises donations and grants received to purchase specific items of equipment.

The Family Support fund has been established by a grant from BBC Children In Need and other smaller grants to help fund the provision of bereavement counselling. Again the grants are principally used to help pay the staff employed for that purpose.

The Day Services fund is represented by grants received to help fund the provision of specific services at the Charity's day centres.

The Welfare Benefits Service fund was created by one specific grant to help fund the provision of welfare benefits advice to the terminally ill and their carers; the Charity has engaged the Citizens Advice Bureau to provide this service.

The Training fund was established from grants received to assist with the provision of clinical training of doctors and nurses throughout the charity.

Hospice UK Grants have been made available to allow the hospice to make available bed capacity and community support from April 2021-March 2022, to provide support to people with complex needs in the context of the COVID-19 situation.

Transfer of funds relate general funds cover of over spend on restricted projects and replenishment of the Risk Reserve Fund.

21 Operating lease commitments

The following payments are committed to be made by the group and the Charity for land and buildings:

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Less than one year	283	337	17	22
One to five years	654	993	52	64
Over five years	817	1,295	-	4
	1,754	2,625	69	90

22 Legal status of the charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.