

Trustees' Annual Report & Consolidated Financial Statements

Year ending 31st March **2020**

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The Trustees are pleased to present their annual report with the audited, consolidated financial statements of St David's Foundation Hospice Care ("the Hospice") for the year ending 31 March 2020.

This Trustees report incorporates the requirements of a Directors' report required by company law.

Objectives and activities

The principal objective of the Hospice is to relieve sickness and pain among persons who are suffering from any chronic or life-threatening illness in England and Wales. The Hospice currently confines its work to Caerphilly, Monmouthshire, Newport, Torfaen and in South & Mid Powys.

The Hospice provides a specialist, multi-professional palliative care service in community, Day Hospice and in-patient settings.

The main focus of our work is to provide 24-hour supportive palliative nursing care in patients' own homes via our Clinical Nurse Specialists, Hospice at Home team, our In-Patient Unit, our Day Hospices and to provide support through our Family Support Team.

The Hospice aims to meet this objective by:

Putting patients and their carers first

- delivering excellent high quality and responsive care, free of charge at the right time and in the right place;
- providing bespoke care that meets the individual needs of patients, carers and their families;
- working with Health Boards and other health and social care professionals to support and care for those who need our service;

Supporting and empowering staff and volunteers

- developing a workforce with the skills and ability to deliver our purposes;
- creating a supportive, respectful, listening environment for our valued staff and volunteers;

Strengthening our foundations as a charitable organisation

- making the best use of existing resources to ensure efficiency and effectiveness;
- maximising and diversifying our income generation to fund and develop our services;

Engaging with our communities

- working with and developing mutually beneficial relationships;
- building on and enhancing our excellent reputation and profile;
- being committed to widening access and being inclusive;

Looking forward

- responding and adapting to external influences and changing in a timely manner;
- being innovative and pro-active leaders in our field;
- developing a hospice for the future by always seeking to improve methods and practices;

Striving to be the best at what we do

- aspiring to always exceed quality standards for all aspects of the care and services that we deliver;
- listening and responding to the needs of our patients and communities to keep them at the heart of everything we do;
- being a developing and learning organisation through evaluating our delivery and sharing best practice.

The Hospice undertakes nine core charitable activities to meet its objectives:

- Community Clinical Nurse Specialists
- Hospice at Home
- The Day Hospices
- Fifteen bed In-Patient Unit
- The Family Support Team
- Adult and child bereavement care
- Complementary therapies
- Chaplain service
- Education

Community Clinical Nurse Specialists

"Every time the CNS visits she brings calmness amongst chaos. Although our lives will never be the same again the CNS always tries to bring back to us (through help and medication) the best we can have of "J" again. The CNS not only supports "J", she supports all of us with help and understanding of our every need. In addition to this it is a massive relief that all the care team are there 24/7 and listen and help you as to what is needed at any particular time. It is so reassuring and welcoming to have this extremely high standard of support."

A family member of a patient

The Hospice employs 20 Clinical Nurse Specialists. They are highly trained, skilled palliative care professionals. The Clinical Nurse Specialists are allocated to GP practices and work as core members of the primary healthcare team. The role of the Clinical Nurse Specialist is to:

- support the patient and family by managing symptom control such as pain and nausea;
- provide information regarding diagnosis and treatment;
- liaise with the Primary Healthcare Team on a plan of care;
- be the key worker within the Hospice and refer patients to other hospice services and other community services;
- work with patients regarding their preferred place of care and preferred place of death.

Hospice at Home

The Hospice at Home team aims to provide end of life care at home and to enable patients to have choice about where they die. The service also provides respite care to patients to help relieve carer fatigue. The service is delivered with a skill mix of qualified palliative care nurses and health care assistants. Each patient and their family are assessed individually to ensure the Hospice develops the best possible package of care for each situation.

Day Hospices

We have 4 Day Hospices which run throughout the week with patients attending between 10am and 4pm at the service most local to them. They are:

- Ysbyty Ystrad Fawr, Ystrad Mynach
- County Hospital, Pontypool
- Usk House, Brecon
- Blakett Avenue, Newport

Day Hospice is a friendly and comfortable place for patients to meet and gain support from others who are in a similar situation, and take part in a range of activities and interests. Patients are able to choose breakfast and lunch from our menu and can enjoy a relaxing bath at any of the locations. Group or individual relaxation sessions and complementary therapy treatments are also available. There is always a Specialist Palliative Care Nurse on hand for patients to discuss their condition or medication.

"The patient is picked up on a Thursday morning and is taken to St David's for a day. He thoroughly enjoys his times with you and said the food and care is 10/10. Thank you."

A relative

The Hospice Harmony Choir

The Hospice Harmony Choir have been singing together for over three years and have performed at music concerts and festivals. Any patient, their carer or family member can join the Choir which usually meets in Blakett Avenue Day Hospice. Those that attend will often report feeling much more energised and uplifted after attending and the group have become a new form of support for each other. On average we have around 30 participants and have more concerts and activities planned, including percussion sessions to be introduced.

In-Patient Unit

"Beautiful facilities and a fantastic team who work here."

A patient

The In-Patient Unit is a Consultant led Specialist Palliative Care unit with 15 beds for adult patients who suffer from progressive life limiting conditions and live within the five localities of Aneurin Bevan University Health Board (ABUHB). The service is free for patients and families who

fulfil the criteria for admission, which include short term care for the management of complex symptoms, assessment, emotional or psychological distress, rehabilitation following treatment and care at the end of life. The In-Patient Unit does not provide long term nursing care. Holistic care is co-ordinated by a multi-professional team, with a mix of skills that encompass the physical, spiritual, psychological and social requirements of patients and families. All admissions to the In-patient Hospice are decided by the ABUHB medical team.

The Family Support Team

The Family Support Team are part of the multi-professional team supporting patients and their families with a wide range of social, financial, practical and emotional needs. The team includes:

- Social Workers;
- Welfare Rights Advisors;
- Carer Support;
- Bereavement Support;
- The Unicorn Service supporting children, young people and their families.

Social workers work across the community and in patient services supporting patients, families and carers with a wide range of issues.

"I dread to think what quality of life I would have had if I hadn't met you, you helped me so much".

Welfare Rights Advisors ensure that our patients and families have support to navigate the welfare reforms, access their full entitlements and have fewer money worries.

The Bereavement Service provides support to anyone coping with the loss of a patient of the Hospice.

"I learned...that the Hospice is there as much, if not more, for the people who are still here after death. I had no idea the Hospice would be the place to "let go" of a life. The bereavement support helped me to make peace with the memory of my father."

A bereaved relative

Complementary Therapy

The Complementary Therapy Team at St David's Hospice is made up of experienced therapists. Complementary therapies are offered in conjunction with conventional medical treatment and are offered primarily for the relief of stress and anxiety but can also assist in relieving physical symptoms such as pain, insomnia, nausea and muscle tension. In general, complementary therapies can be used to induce a feeling of well-being and of 'letting go' and are also aimed at giving the patient a 'treat' rather than a treatment.

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"I have been receiving Complementary Therapy at St David's in Ystrad Mynach which I find very helpful and relaxing."

A patient

Therapies include massage, aromatherapy, reflexology and Reiki and are provided at patient's homes or within the Day Hospice or In-Patient Unit setting.

Chaplaincy Service

The Hospice has been providing a chaplaincy service since June 2019. The volunteer spiritual care team remain very dedicated and are much appreciated by parents and families alike.

Occupational Therapy

Historically this service was purchased from ABUHB but now the Hospice employs the OT directly. The service is provided primarily in the In Patient Hospice but the OT also provides community and Day Hospice session. This has been a positive development.

Education

The Education Department works closely with local Universities through endorsements of specific courses and mentoring of student nurses. A wide range of teaching strategies are used to improve the knowledge and skills of staff to care for people, their families and carers facing a progressive life-threatening illness which is no longer curable. Regular courses are provided for nursing and residential homes in palliative care.

Public benefit

Our charitable services are provided without charge to all members of the public with a life threatening illness who are referred by a health care professional and who live in Caerphilly, Monmouthshire, Newport, Torfaen and in South & Mid Powys.

The Trustees are of the opinion that they have complied with their duties to have due regard for the guidance on public benefit. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit

when reviewing the Hospice's aims and objectives and in planning our future activities.

Statement of purpose

St. David's Hospice Care aims to:

- provide a comprehensive range of holistic hospice and palliative care services within the unitary authorities of Caerphilly, Monmouthshire, Newport, Torfaen and in South & Mid Powys;
- ensure all staff are appropriately trained and encouraged to participate in continued professional development;
- respect the dignity and privacy of service users at all times and respect the individuals' rights and choice in their care;
- receive referrals of patients who have a diagnosis of a life-threatening illness (either cancer or non-cancer of patients aged 17 years and over);
- promote and disseminate current research and good practice to the wider healthcare community;
- work within the requirements of the Care Standards Act 2000, the Nurses Agencies (Wales) Regulations 2003, the Domiciliary Care Agencies (Wales) Regulations 2004 and the National Minimum Standards for Independent Health Care Services in Wales 2011;
- support the need of patients' carers and families during the patients' illness and into bereavement;
- provide personal care to young people and adults (aged 17 years and over) within an agreed criteria;
- provide respite care through Day Hospice, Hospice at Home, in-patient care and carer support.

Strategic report

The strategic report required under company law comprises the three sections *Achievements and performance*, *Financial review* and *Plans for future periods* below.

Key performance indicators

The Hospice uses a range of performance measures to monitor its performance. The key measures related to its charitable work are given in the achievements and performance section starting on page 4. The key financial performance indicators, including the Hospice's reserves, are disclosed in the financial review starting on page 7.

Achievements and performance

In last year's financial statements we set out the following priorities for the forthcoming year:

Priority	Outcome
Work with ABUHB to open all the beds in the In-Patient Unit to maximise benefits to patients and their families.	Occupancy of the beds remains below 60% the majority of the time. This is disappointing but reflects a difficult challenge for the Hospice in how to maximise bed occupancy. This will remain a priority for the forthcoming year.
Develop a spiritual care plan with the newly appointed Chaplain.	A plan is in place and the serviced is well received by patients, friends and family.

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Priority	Outcome
Work with Powys Health Board to increase Hospice at Home care and redesign Day Hospice.	Powys Hospice at Home activity remains very positive and close relationships with the Health Board are ongoing. Day Hospice plans are at an early stage.
Further develop our Occupational Therapy offering in Day Hospice, the In-Patient Unit and the community	The Occupational Therapy Service is working well and there is positive feedback from patients and healthcare professionals with the redesigned service.
Further develop our staff communication systems to ensure engagement and job satisfaction for our staff and volunteers	The St David's Hub is up and running and allows staff to view policies, training materials and updates. A platform for volunteers is being explored.

Community Clinical Nurse Specialists

"[The CNS] is wonderful. She visits mum on regular basis and makes mum feel relaxed and is easy to talk to. Mum appreciates all her help and support and friendship. [The CNS nurse] takes time to explain things in a way that we understand and this is very important to us. She is made for this type of work - her personality is perfect and makes us feel at ease during her visits."

The daughter of a patient

	2020	2019
Number of patients	3,371	3,148
Average caseload	1,203	1,075
New referrals	2,296	2,127
Discharges	254	259
Deaths	1,720	1,717
Deaths at home	1,192	1,149
% died at home	69%	67%

"She was the most compassionate, understanding lady. She made me feel I had support at all times"

A St David's patient

- The five teams work through Caerphilly, Monmouthshire, Newport, Torfaen and South & Mid Powys. Each Clinical Nurse Specialist (CNS) is assigned to one or more GP surgeries. The CNS team cared for 3,371 patients which is an increase on previous year (2019 - 3,148).
- Overall referrals rose to 1,203 from 1,075 in 2019.
- We aim to ensure across the service that at least 60% of patients die in their usual place of residence (excluding Hospice at Home). In 2020 we achieved this with 1,192 of 1,720 (2019 - 1,149 of 1,717).

Hospice at Home

	2020	2019
Average monthly caseload	48	37
New referrals	715	624
Hours of care	46,738	44,109

"The service was excellent - a great weight taken off our shoulders during this time, which gave us the time to help more during the day. The kindness, support, patience and reassurance helped during an awful time. Thank you so much."

A Hospice at Home patient

- The highly valued team support offered by the Hospice at Home remains at the core of what the Hospice aims to achieve, ensuring patients have *real* choice about where to receive their end of life care.
- There has been a 6.0% increase in the number of hours provided compared to last year (2019 - 4.2% decrease), with a total number of hours of care provided of 46,738 (2019 - 44,109).
- We continue to offer a flexible bespoke service which is tailored to each individual patient and their family.
- Our Hospice at Home service is registered with Care Inspectorate Wales. Our latest inspection can be requested directly from Care Inspectorate Wales.

Day Hospice

	2020	2019
Average monthly caseload	126	114
New referrals	344	275
Attendances	3,366	3,288

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"The whole team at the Day Hospice always put your needs at the time first and endeavour to take as much care of you as they can. The hospitality shown is wonderful and I always come away reassured, knowing they have done all they can to take care of you."

A Day Hospice patient

- Day Hospice referrals have increased from 275 in 2019 to 344 across 2020. The number of attendances has increased to 3,366 (2019 – 3,288).
- The review on Day Hospice services will continue through 2020.

Complementary Therapy

	2020	2019
Average monthly community caseload	67	52
Treatments given	1,556	1,576
New referrals	416	432

The community caseload does not include Day Hospice and IPU patients.

Family Support Team

	2020	2019
Social Work		
Average monthly caseload	55	29
New referrals	204	154
Visits	321	286
Welfare Rights		
Average monthly caseload	272	145
New referrals	734	573
Visits	484	333
Adult bereavement service		
Average monthly caseload	92	88
New referrals	186	137
Sessions	1,340	1,337
Children's bereavement service (Unicorn)		
Average monthly caseload	142	121
New referrals (families)	275	258
Sessions	1,203	1,088

- Welfare rights referrals have increased from 573 in 2019 to 734 in 2020.

"I think it's an amazing service. My son was shut down emotionally as in the last four years I have cared for my dad. He has slowly opened up and we can talk more openly and cope better with my dad's illness and death."

A parent

- Referrals to the Unicorn Service continue to rise (from 258 to 275)
- The Unicorn project has received an additional three years of support from Children in Need.

"We could not have done without it, "J" now understands it is okay to be open about feelings and it is good to cry and talk with family and not bottle up how he feels...[the group sessions] showed "J" he was not alone with how he felt"

A parent whose child had taken part in group sessions

In-Patient Unit

	2020	2019
Referrals	217	249
Admissions	204	191
Discharges	59	57
Deaths	112	113
Average length stay in days	15	15
Average bed occupancy	56%	57%

"I don't think there is any way the Hospice could improve. They even let my dogs in to visit me."

An In-Patient Unit patient

- The number of referrals to the Hospice In-Patient Unit has decreased from 249 to 217.
- The bed occupancy has decreased from 57% to 56%. This decrease has occurred because the increased capacity in the new In-Patient Unit is not being fully utilised due to difficulties with medical staffing.
- The average length of stay remains 15 days
- The In-Patient Unit is regulated by Healthcare Inspectorate Wales and was inspected in December 2018; a copy of the report can be found at the Healthcare Inspectorate Wales website at www.hiw.org.uk. Highlights of what we do well included:
 - person centred care;
 - patient and carer involvement in care planning;
 - family support;
 - multidisciplinary working;
 - well maintained and welcoming environment;

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- o clinical auditing.

The report recommended improvements in some areas of record keeping, updating of care plans and one area of staff training. All these recommendations have now been implemented.

There was no inspection during the year.

"The care I have received has been above and beyond my expectations. The staff are the most caring bunch of people I have come across during my illness. Both myself and family feel without the outstanding care I've received during my stay I would not be in a position to go home. A huge thank-you to all for the outstanding care."

An In-Patient Unit patient

Education

Courses have been run specifically in palliative and end of life care for registered nurses and health care assistants which have been approved by the University of South Wales. Staff have the opportunity to attend research and development sessions on a monthly basis which include external speakers from oncology centres and other healthcare specialists. These have also been supported by our palliative care doctors.

Externally we continue to provide education for care home staff (both registered and carers) which has been approved by the University of South Wales. We maintain links with local universities and provide placements for third year student nurses. We have provided training for over 500 people in the year.

Out of hours – on call

This 24-hour a day advice line provides invaluable support to patients, families and healthcare professionals. The demand for this service has remained similar to previous years. A total of 2,052 calls were made in the year (2019 – 1,965).

Clinical risk management

- The team managers complete quality and patient safety reports monthly and these are assessed and actioned at a monthly Quality and Assurance meeting.
- Senior clinical managers meet weekly to discuss and action any issues arising.
- Policies and procedures are updated regularly.
- The Trustee clinical governance sub-group meets four times a year.
- A monthly SMT meeting for the In-Patient Unit is held with representatives from ABUHB.
- Risk assessments are completed for every patient and their family.

Compliments and complaints

Although the Hospice aims to provide the very best care to our patients and families there are rare occasions where we

do not meet the standard we would expect. As a hospice we take every complaint or concern very seriously and aim to learn from these occasions. A copy of our complaints policy can be obtained from the Hospice.

We receive many compliments and always take the opportunity to learn from these situations and share good practice.

Financial review

Overall the Hospice's income increased from £8,866,000 to £8,951,000. The Hospice's total expenditure increased by £401,000 to £8,371,000. The Hospice's spending on charitable activities increased by £354,000 from £4,581,000 to £4,935,000.

Legacy income

The Hospice has recognised legacy income of £972,000. This represents a decrease of £216,000 compared to 2019. It compares to an average per year over the five years to 31 March 2019 of £830,000.

Funding sources

The Hospice receives funding to provide its services from a variety of sources. The Hospice received the following from the Welsh Government and NHS Health Boards under long term agreements:

	Income £000		% of the expenditure on charitable activities	
	2020	2019	2020	2019
NHS service level agreements	1,719	1,724	35%	38%
Welsh Government	25	26	1%	1%
	1,744	1,750	36%	39%

The Hospice receives additional NHS funding for individual continuing health care packages. .

	Income £000		% of the expenditure on charitable activities	
	2020	2019	2020	2019
Care packages	368	321	7%	7%

The Hospice augments this public funding with donations, legacies and grants from trusts. In addition the Hospice operates three core fundraising activities:

- running a network of charity shops;
- organising fundraising events;
- and operating a lottery.

Charity shops (retail trading)

The Hospice operates 36 (2019 – 38) charity shops. The shops primarily sell second hand goods donated by members of the public. In addition new goods are sold by the Hospice's trading subsidiary within the shops. The sale of new goods represented 6% (2019 – 5%) of retail trading income.

The net surplus from retail trading after allocation of support costs was £713,000 (2019 - £954,000). This represents a reduced surplus margin of 21% (2019 - 27%).

Fundraising

The fundraising department incorporates both the work associated with appealing for donations and the subsequent administration together with the work associated with organising fundraising events. The net surplus from all fundraising after the allocation of support costs was £1,980,000 (2019 - £2,245,000). This represents an increased surplus margin of 80% (2019 - 79%).

Lottery

The Hospice operates a weekly lottery draw. Most members play every week. Twice a year extra prizes are awarded for the draw. On these weeks additional tickets are sold more widely to the general public. The net surplus from the lottery after the allocation of support costs was £145,000 (2019 - £145,000). This represents a surplus margin of 38% (2019 - 38%).

VAT

The Hospice continues to benefit from the VAT refund scheme for palliative care charities which means it has been able to reclaim the VAT on its non-business activities. The additional VAT that the Hospice would not otherwise have been able to recover was £115,000 (2019 - £115,000). The Hospice continues to suffer irrecoverable VAT on some of its expenditure notably expenditure on its lottery and on most fundraising events. The total irrecoverable VAT suffered was £34,000 (2019 - £38,000).

Investment policy

The Trustees reviewed and approved the investment policy on 5 March 2020.

Purpose of the Hospice's investment

The Hospice's investment policy is closely aligned with its reserves policy which sets out that free reserves are primarily held to cover an unexpected reduction in income over the forthcoming twelve months. As such the Hospice's policy is to keep most surplus cash on deposit with UK based institutions. The terms of deposits may range from instant access to twelve months term deposits to ensure the funds are available if required without loss of capital or interest.

However in order to mitigate the risk of a real term loss in the value of reserves due to inflation the Hospice will invest a limited proportion of reserves in asset classes other than cash (the investment portfolio).

The Hospice calculates a risk based, free reserves requirement every year as set out in the reserves policy. This sets out the level of free reserves that the Hospice will seek to hold. The Hospice will retain at least 100% of the free reserves requirement as cash on deposit. Any additional funds may be invested in the portfolios at the discretion of the Senior Management Team.

The level of funds invested in the portfolio will be reported to the Governance Committee as part of the routine management accounts reporting.

Investment Manager

The investment portfolio will be managed on a discretionary basis which means the buy and sell decisions will be made by an Investment Manager subject to the conditions and ethical considerations set out in this policy. The Investment Manager will be appointed by the Governance Committee.

The Governance committee may select one or more Investment Managers to manage the portfolio.

The Governance Committee will review the appointment of the Investment Managers at least every five years. This review may include a formal tender for the role at the discretion of the committee.

Objectives of the investment portfolio

Funds in the investment portfolio will be invested to produce the best financial return with an acceptable level of risk.

In the short term, income from the investment portfolio will not be used to fund charitable activities. The investment objective is therefore to increase the overall total return of the fund. Since the expectation is that any income from the investment portfolio will be reinvested in the portfolio, the Hospice does not have a preference for either income or capital growth.

To meet its objectives the Hospice investment portfolio can be invested widely according to the general power of investment and should be diversified by asset class, and by security. Asset classes could include cash, bonds, equities, commodities and any other assets that are deemed suitable for the Hospice. The weighting of the classes of assets will be at the discretion of the Investment Manager subject to the conditions of this policy.

It is anticipated that investments will primarily be in UK based assets.

Risk

Giving due consideration to the proportion of the overall free reserves the investment portfolio represents, the low risk to which the rest of the free reserves are subject and the acceptance of risk identified following the analysis undertaken the risk level has been set as medium high.

A medium high risk level means that a large proportion of the investment portfolio may be held in equity investments. A broader range of equity markets and sectors is likely to be used. However fixed interest and non-equity investments may form part of the portfolio.

Time horizon

The Hospice is expected to exist in perpetuity therefore the Hospice can adopt a long term investment time horizon. For the purpose of this policy, the anticipated investment time horizon is over ten years.

Reporting and monitoring

The Investment Managers will be required to produce a valuation and performance report every month.

The Investment Managers will present a performance report at least once a year.

The Governance Committee have responsibility for agreeing the investment objectives and monitoring the investment assets. The committee will meet at least once a year to review the portfolio, including an analysis of return, risk and asset allocation and to review this policy.

Benchmarking

Performance of the investment portfolio will be monitored against the FTSE UK Private Investor Balanced index.

Restricted funds

The investment portfolio will not include any restricted funds of the Hospice.

Ethical investment policy

The Hospice will not invest in companies that produce more than 5% of their revenues from the production and distribution of tobacco and alcohol products. This is in line with the overall objectives of the Hospice.

Principal risks and uncertainties**Financial risks**

The Trustees identify the financial risks facing the Hospice as part of the review of the reserves policy. The risk based policy identifies over 20 potential risks to the Hospice's income and expenditure. These may be general, covering a broad class of income or expenditure, or may identify a more specific risk. The principal risks by value are:

- a general risk of over estimation of charity shop sales due to unforeseen external market conditions;
- a risk of an unforeseen reduction of the quality and quantity of stock donations to our shops;
- a general risk of spending over budget within retail shops due to necessary but unbudgeted costs;
- a risk of increased demand to the Hospice At Home service leading to unbudgeted additional costs.

The Hospice primarily mitigates these risks by a regular review of the reserves policy which is aligned closely with the risks identified. Action is taken to ensure reserves remain sufficient. Regular management accounts and other management information is prepared monthly and reviewed by management and Trustees to monitor whether, in light of any risks occurring, any mitigating action is necessary.

Non-financial risks

The Hospice also faces non-financial risks. These may ultimately have a financial impact but would principally affect the services we provide in other ways. The principal non-financial risks are:

- the risk of reputational damage that negatively affects engagement with the Hospice by the public, the NHS and other bodies caused by:
 - a clinical error or omission leading to the mistreatment of a patient;
 - injury or other harm coming to a patient or other member of the public, such as through abuse, by staff, volunteers or members of the public;
 - injury or other harm coming to a member of staff through a failure in their duty of care by management;
 - injury or other harm coming to a participant at a fundraising event.
- The risk to the Hospice caused by the loss of senior staff.

The Hospice's strategy for mitigating the impact of reputational risk is primarily to ensure appropriate clinical governance is in place to monitor and improve our service. The Hospice follows best practice for protecting vulnerable adults and others. Monitoring of staff and public health and safety is core to governance at all levels and is supported by a qualified Health and Safety Officer.

Plans are in place in the case of the loss of a senior member of staff. The Hospice has a strong senior team who would provide proficient management in the short term.

Reserves policy

The Trustees have determined that the Hospice maintains reserves:

- to ensure the continuity of service in the event of an unexpected reduction in income whilst alternative funding is sought or expenditure on services is modified;
- to provide funds to replace fixed assets without having to finance the purchase;
- to provide working capital so that the Hospice can manage settling its liabilities when they become due efficiently.

As a mature organisation with a variety of established income streams and predictable, well-planned expenditure the Trustees consider it most appropriate for the Hospice to operate a reserves policy centred on an analysis of the potential risks to the amounts of those income streams and of the potential risks of over-expenditure. In order to quantify the reserves required, the following steps were undertaken as part of the annual budgeting process:

- the expected income for the forthcoming year was identified and classified;
- the potential risks of each class of income were identified;
- the potential proportion of each class of income that was at risk of not being received was estimated and multiplied by the total expected income for that class of income to provide the value of income at risk for that class of income;

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- a similar exercise was undertaken to identify and quantify the risk of over-expenditure for the different classes of expenditure;
- all the individual amounts were added together to give a basic risk reserve requirement;
- a general provision of 5% of the basic risk requirement was then added to the total to give the total risk reserve requirement;
- finally, the reserves required for future fixed asset purchases were added to give the overall total reserves requirement.

It is the opinion of the Trustees that the total reserves requirement need only cover a 12 month period since this would provide sufficient time to reduce expenditure or seek alternative sources of income.

The Trustees have included an additional £980,000 in the reserves requirement to cover expected loss of income due to the Covid-19 pandemic.

From this exercise the Trustees have determined that the Hospice requires reserves of £2,882,000 (2019 - £1,630,000). The following table compares reserves required by the policy and reserves held. In accordance with Charities SORP (FRS 102) paragraph 1.48, reserves held are considered after making allowance for

- restricted funds;
- any fund that can only be realised by disposing of tangible fixed assets;
- and any designated funds that have been established.

	2020	2019
	£000	£000
Total funds	12,715	12,212
Less restricted funds	(43)	(35)
Less fixed assets held in unrestricted funds	(8,904)	(8,977)
Total reserves before designation of funds	3,768	3,200
Designated funds	-	-
Undesignated reserves	3,768	3,200
Reserves required by the policy	2,882	1,630
Undesignated reserves above policy	886	1,570

The Hospice holds £886,000 (2019 - £1,570,000) of undesignated reserves above the policy. The Trustees believe the organic growth of current services over the next five years due increasing demand for our services will bring reserves held into line with the policy without the need to plan for a major expansion of current services or the implementation of new activities.

There remains considerable uncertainty around the length of time the Covid-19 pandemic may have an impact therefore it would be imprudent to consider significant utilisation of reserves held above the policy at this time.

The Trustees are mindful that the year has been exceptional in terms of legacy income and therefore it is appropriate that at this point undesignated reserves are in excess of the policy. It is expected that legacy income will not remain at this level in forthcoming years and will continue to be volatile.

Plans for future periods**Covid-19**

Towards the end of the financial year we were facing the most difficult time for the Hospice in its 40 year history. The global pandemic was becoming evident and it was clear the UK and Welsh Governments would need to take drastic action to stem the spread of the disease. Lockdown was announced on the 23rd March and all our shops shut the following day. All fundraising events were cancelled with a hope they would be reinstated during the summer months.

The potential risks for the Hospice are significant.

Our key priorities for the forthcoming year are to:

- stabilise income and expenditure by accessing all Government help available;
- plan for an increase demand on our clinical services due to COVID 19;
- develop an emergency budget for the year and implement monthly forecasting;
- keep our staff and volunteers safe;
- keep our patients safe.

Structure, governance and management**Governing document**

St David's Foundation Hospice Care is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association.

The Hospice was incorporated on 24th March 1992 and its Memorandum and Articles of Association were altered by Special Resolutions passed on 9th January 1995, 29th March 2001, 26th May 2005 and 27th September 2007.

*Wonderful with my first husband
and wonderful again after 17
years.*

A patient

Operating name

The Hospice operates under the name "St David's Hospice Care".

Directors and Trustees

The directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

Recruitment and appointment of Trustees

The Chair, Board and Chief Executive review the Board performance yearly through an appraisal system. During this process it is identified if there are any skills or experience gaps on the Board. If and when a vacancy becomes available the Board will look to recruit a member to the Board with the necessary knowledge and experience. Appointments are made via an application and interview process. References are obtained and an enhanced DBS check completed.

Anyone co-opted onto the Board during the year is formally elected at the AGM as set out in the Articles of Association.

Trustee induction and training

The Hospice ensures each Trustee has a comprehensive induction when appointed. Trustees are provided with various Charity Commission documents and guidelines to support them in their role. An annual appraisal system for Trustees highlights any training needs.

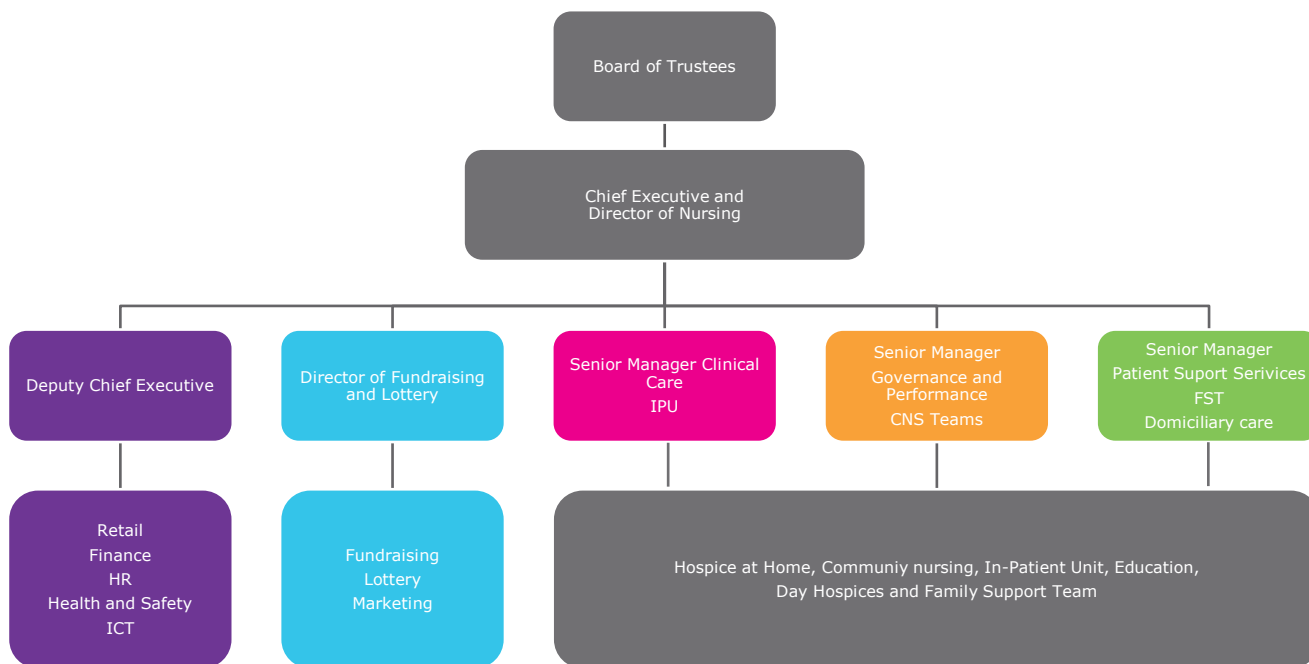
Organisation

A Board of Trustees of fourteen voluntary members, who meet six times per year, administers the Hospice. The

following sub-groups advise the Board: Governance Committee; Retail; Clinical; and Income Generation. The remit of the Governance Committee includes Finance, Health & Safety, the reporting of Clinical Incidents and Risk Management. Health & Safety matters are discussed by an employee Health & Safety Committee in the first instance and issues are forwarded to the Governance Committee. The Governance Committee report back to the Board of the Trustees on a bi-monthly basis.

The Trustees appoint a Chief Executive to take overall responsibility for the management of the Hospice by providing professional leadership through the development of strategic plans agreed with the Board of Trustees. The Chief Executive is supported by other members of the Senior Management Team, who prepare reports for the bi-monthly meetings of the Board of Trustees. The key management personnel comprise the Board of Trustees and the members of the Senior Management Team. The structure of the key management team is set out in the chart below.

The subsidiary company has two directors who are the Chair and Chief Executive of the Hospice.



The key management personnel

Pay policy for key management personnel

The Trustees consider the key management personnel of the Hospice to be the Board of Trustees and the Senior Management Team.

All Trustees give their time freely and no trustee received remuneration in the year. Details of Trustees' expenses and

related party transactions are disclosed in notes 29 and 30 of the accounts.

The pay of the Senior Management Team is benchmarked against similar roles in the NHS or other comparable organisations. There is an emphasis on ensuring value for money for the Hospice whilst enabling the recruitment and retention of staff with appropriate skills and experience.

For the Chief Executive / Director of Nursing this exercise may be undertaken by the Chair or an external consultant.

TRUSTEES REPORT

YEAR ENDED 31 MARCH 2020

Any increases are related to performance and approved by the Board of Trustees.

For other members of the Senior Management Team, benchmarking is undertaken informally by the Chief Executive / Director of Nursing.

The remuneration paid to key management personnel is set out in note 28.

Disabled employees

The Hospice gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Volunteers

The Hospice benefits greatly from the support of general volunteers who contribute throughout the organisation supporting both our charitable work and our fundraising activities. Roles include assisting in charity shops, marshalling at fundraising events, volunteering on reception and in our Day Hospices.

Special acknowledgements

The Board wishes to record its appreciation for the generosity of the many supporters of St David's for their donations and bequests and to the hundreds of volunteers who give so willingly of their time and expertise. Thanks are also expressed to the President, Vice-Presidents and Patrons who serve in an honorary capacity.

The Board also wishes to acknowledge the tremendous dedication of the clinical, fundraising, retail and administrative staff to fulfilling the objectives of the Hospice. The continued increase in the level and quality of the service is a tribute to their commitment and loyalty.

TRUSTEES REPORT

YEAR ENDED 31 MARCH 2020

Reference and administrative details

Charity number: 1010576
Company number: 2700097
Registered Office: St David's Hospice Care, Blakett Avenue, Newport, NP20 6NH

President: Sir Richard Hanbury-Tenison KCVO (sadly passed away in the year)

Vice-Presidents: Dr G. Anderson (resigned) Mr I. S. Burge
Mr J. Capel Mrs G. A. Goodacre
Mr W. Jenkyn-Jones Dr R. Lurvey MBE
Mr R. Noble OBE Prof W. B. Peeling CBE
Mrs P. A. White MBE

Patrons: Baron Touhig of Islwyn and Glansychan
Mr J. Over QPM, CPM, DL
Mrs S. Lloyd
Mr R. O'Shea
Mr A. Jones

Key Management Personnel: Trustees

Chair: Mr M. Davies OBE CStJ
Vice- Chair: Mr J. O. Thompson
Treasurer: Mrs M. Van de Weyer

Trustees: Sir S. H. Boyle KCVO (resigned as Trustee and Vice Chair 25 September 2019)
Dr R. C. G. Bracchi (appointed 25 March 2019) Dame R. Butler DBE
Mrs J. E. Child Mrs P. J. Davies
Mr J. L. M. Felvus Dr C. C. Gaffney
Rev E. Hills Mr M. Hine
Dr J. W. Holland

Key Management Personnel: Senior Management Team

Chief Executive: Mrs K.E. Saysell MBE
Deputy Chief Executive Mr A. Hadley
Director of Fundraising and Lottery: Mr K. Broome
Senior Manager Governance and Performance: Ms K. Hughes
Senior Manager Clinical Care: Ms S. Thomas
Senior Manager Patient Support Services: Ms G. Tanner

Advisors

Auditors: Advantage Accountancy & Advisory Ltd, Carlyle House, 5-7 Cathedral Road, Cardiff, CF11 9HA
Bankers: National Westminster Bank plc, High Street, Newport, NP20 1GG
Solicitors: Robert Davies Partnership LLP, Wentwood House, Langstone Business Village, Newport, NP18 2HJ
Temple Bright LLP, 29 Great George Street, Bristol, BS1 5QT
Investment Managers: Charles Stanley & Co. Ltd, 7/8 Park Place Cardiff CF10 3DP
Brewin Dolphin, 2nd Floor, 5 Callaghan Square, Cardiff, CF10 5BT

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also directors of St David's Foundation Hospice Care for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and the 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements the Trustees are required to:

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

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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the Senior Management Team and the Board of Trustees. The systems of internal control are designed to provide reasonable, but not absolute assurance against material misstatement or loss.

They include:

- A strategic plan and annual budget approved by the Trustees;
- Regular consideration by the Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews;
- Delegation of day to day management authority and segregation of duties;
- Identification and management of risks.

Statement of disclosure to our auditors

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

In approving this Trustees' Report, the Trustees are also approving the Strategic Report (which comprises the three sections *Achievements and performance*, *Financial review* and *Plans for future periods*) in their capacity as company directors.

Approved by the Board of Trustees on 24 September 2020.



Mrs K.E. Saysell
Company Secretary
Registered Office
St David's Hospice Care
Blackett Avenue
Newport
NP20 6NH

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST DAVID'S FOUNDATION HOSPICE CARE

YEAR ENDED 31 MARCH 2020

We have audited the financial statements of St David's Foundation Hospice Care for the year ended 31 March 2020 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also directors of the company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company and its group affairs as at 31 March 2020 and of its incoming resources and application of resources,

including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

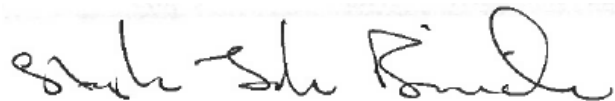
OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

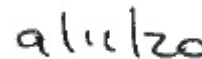
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



STEPHEN JOHN BICKERTON FCCA
Senior Statutory Auditor
For and on behalf of
ADVANTAGE ACCOUNTANCY & ADVISORY LTD
Chartered Certified Accountants & Statutory Auditor

Carlyle House
5-7 Cathedral Road
Cardiff
CF11 9HA



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)

YEAR ENDED 31 MARCH 2020

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
	Note						
Income							
Donations and legacies	3	1,963	88	2,051	2,256	92	2,348
Charitable activities	4	2,145	-	2,145	2,105	-	2,105
Other trading activities	5	4,216	1	4,217	4,381	-	4,381
Investments	6	31	-	31	29	-	29
Other	7	507	-	507	3	-	3
Total Income		8,862	89	8,951	8,774	92	8,866
Expenditure							
Raising funds	9	3,436	-	3,436	3,387	2	3,389
Charitable activities	11	4,873	62	4,935	4,524	57	4,581
Total expenditure		8,309	62	8,371	7,911	59	7,970
Net gains / (losses) on investments	15	(77)	-	(77)	4	-	4
Net income		476	27	503	867	33	900
Transfers between funds	22	19	(19)	-	14	(14)	-
Net movement in funds		495	8	503	881	19	900
Reconciliation of funds:							
Total funds brought forward	22	12,177	35	12,212	11,296	16	11,312
Total funds carried forward		12,672	43	12,715	12,177	35	12,212

BALANCE SHEETS

YEAR ENDED 31 MARCH 2020

		Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
	Note				
FIXED ASSETS					
Tangible assets	14	8,904	8,977	9,050	9,124
Investments	15	497	314	497	314
		9,401	9,291	9,547	9,438
CURRENT ASSETS					
Stock and work in progress	17	41	34	1	1
Debtors	18	1,473	1,000	1,565	1,074
Cash at bank and in hand	19	2,442	2,498	2,440	2,487
		3,956	3,532	4,006	3,562
LIABILITIES					
Creditors: Amounts falling due within one year	20	563	610	614	640
NET CURRENT ASSETS		3,393	2,922	3,392	2,922
TOTAL ASSETS LESS CURRENT LIABILITIES					
		12,794	12,213	12,939	12,360
Creditors: Amounts falling due after more than one year	21	79	1	79	1
TOTAL NET ASSETS		12,715	12,212	12,860	12,359
THE FUNDS OF THE CHARITY					
Restricted income funds	22	43	35	43	35
Unrestricted income funds	22	12,672	12,177	12,817	12,324
TOTAL CHARITY FUNDS		12,715	12,212	12,860	12,359

Signed and authorised for issue on behalf of the Board of Trustees



Mr M Davies OBE CStJ

Approved and authorised for issue by the Board on 24 September 2020.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	A	320	560
Cash flows from investing activities			
Dividends, interest and rents from investments		31	29
Purchase of property, plant and equipment		(231)	(164)
Purchase of investments		(260)	(9)
Net cash used in investing activities		(460)	(144)
Cash flows from financing activities			
Repayment of finance leases		(22)	(21)
Finance lease interest paid		(7)	(6)
Cash inflows from new finance lease		113	-
Net cash used in financing activities		84	(27)
Change in cash and cash equivalents in the reporting period		(56)	389
Cash and cash equivalents at the beginning of the reporting period		2,498	2,109
Cash and cash equivalents at the end of the reporting period	B	2,442	2,498

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**A Reconciliation of net income to net cash flow from operating activities**

	2020 £000	2019 £000
Net income for the reporting period (as per the Statement of Financial Activities)	503	900
Adjustments for:		
Depreciation charges	298	290
(Gains)/losses on investments	77	(4)
Dividends, interest and rents from investments	(31)	(29)
Interest payable	7	6
Profit on the disposal of fixed assets	6	(1)
Decrease in stocks	(7)	3
(Increase) / decrease in debtors	(473)	(455)
(Increase) in creditors	(60)	(150)
Net cash provided by operating activities	320	560

CONSOLIDATED STATEMENT OF CASH FLOWSYEAR ENDED 31 MARCH 2020

B Analysis of cash and cash equivalents

	2020	2019
	£000	£000
Cash in hand	942	993
Notice deposits (less than 3 months)	1,500	1,505
Total cash and cash equivalents	2,442	2,498

1. Accounting policies

Basis of Accounts 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

All financial information is rounded to the nearest £1000 except for the Trustees' expenses set out in note 29 and the subsidiary undertaking table in note 15.

Group financial statements

The financial statements consolidate the results of the Hospice and its wholly owned subsidiary St David's Trading Limited on a line by line basis. A separate *Statement of financial activities and income and expenditure account* for the Hospice has not been presented because the Hospice has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Income

Income arises when an event (such as a financial transaction) results in either an increase in the Hospice's assets or a reduction in its liabilities. Income is recognised by the Hospice when all of the following criteria are met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the Hospice.
- Probable – it is more likely than not that the economic benefits associated with the event will flow to the Hospice.
- Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Legacies

Entitlement to legacy income is deemed to occur when either the Hospice is aware probate has been granted, the estate has been finalised and the Hospice has been notified by the executor that a distribution will be made or when a distribution is received from the estate if that is earlier.

Where legacies have been notified to the Hospice or the Hospice 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. This most commonly occurs when the Hospice has been notified of residuary legacy but it is unable to reliably measure the amount of the income.

Grants

Grants are recognised when the Hospice has entitlement to the funds. This includes grants received for the purpose of purchasing fixed assets. When a grant cannot be claimed until certain expenditure has been defrayed entitlement is not deemed to have passed to the Hospice until the expenditure has been so defrayed.

Fundraising events

Fundraising income from the sale of entry fees for events is included in income when received even if this is before the event. The likelihood of cancellation of the event is remote so it is more likely than not that the economic benefit will flow to the Hospice.

Donations that are closely associated with fundraising events such as sponsorship of event participants by their friends and family are included in fundraising within other trading activities.

Retail

The Hospice receives a high volume of donations of low value second hand goods for resale in its network of charity shops. The Trustees consider it would be impracticable to recognise the income when the Hospice becomes entitled to the economic benefit of the donated goods since the cost of doing so would outweigh the benefits. Therefore in accordance with FRS102 paragraph 34B.4 the income is recognised in the period in which the donated goods are sold.

The Hospice operates a retail gift aid scheme. Under the scheme the legal form of the transaction is that the Hospice operates as an agent on behalf of the donor. Once the goods have been sold on behalf of the donor, the donor offers to donate the proceeds of the sale to the Hospice. This allows the Hospice to claim gift aid on the cash donation. However the substance of the transaction is such that the donor is donating the goods to the Hospice and is therefore treated as such.

NOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 2020

Lottery

Lottery tickets sold in advance are deferred and included in the period in which the draw takes place.

Expenditure

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.

Irrecoverable VAT

The Hospice suffers from irrecoverable VAT due to the fact that it makes exempt supplies and therefore not all input VAT is recoverable. This is written off to the Statement of Financial Activities in the period in which it arises. Under sections 33C and 33D of the VAT Act 1994 the Hospice can recover the VAT on its non-business transactions.

Support costs

Support costs are those costs that whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. These costs include Governance, Finance, Human resources, ICT and Health and Safety as well as corporate costs including the costs of employing the Chief Executive, financing costs, insurance and legal and professional fees.

Where these costs are directly attributable to specific activities they have been included in those cost categories. Where these costs are attributable to more than one activity they are apportioned across cost categories on the basis of direct staff hours. The Trustees consider this to be the most equitable method of splitting expenditure attributable to more than one activity.

Pensions

Details of the pension schemes including the accounting policies adopted can be found in note 26.

Termination payments

Termination payments are payable when employment is terminated by the Hospice before the normal retirement date or end of employment contract. Termination payments are recognised when the Hospice can no longer withdraw the offer of the benefits.

Fixed assets**Intangible fixed assets**

Negative goodwill arising from business acquisitions is capitalised and amortised over 2 years.

Tangible fixed assets

Tangible fixed assets are recorded at cost, or in cases where fixed assets have been donated to the Hospice, at valuation at time of acquisition. Fixed assets with an initial cost of less than £1,000 are not capitalised but are included in full in expenditure in the year of acquisition. Depreciation is charged to write off the cost of fixed assets over their estimated useful lives at the following annual rates:

Freehold buildings	2% Straight Line
Leasehold buildings	Life of Lease Straight Line (current leasehold buildings have a 99 year lease)
Fixtures, fittings and equipment	20% Straight Line
Computer equipment	33% Straight Line
Motor vehicles	20% Straight Line

Computer equipment is included within fixtures, fittings and equipment in note 14.

Investments**Investment properties**

Investment properties are included in the balance sheet at fair value. The Hospice arranges a valuation by an independent valuer every five years. The next independent valuation will be at 31 March 2023.

Listed investments

Listed investments held are shown at fair value which is their market value.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Donations of low value second hand goods that remain unsold at the balance sheet date are not included in stock since they are recognised when sold as set out above.

Funds structure

The Hospice's funds are split into restricted funds and unrestricted funds.

Restricted funds

These are funds that can only be used for a particular restricted purposes within the objects of the Hospice.

Restrictions arise when they are specified by the donor or when funds are raised for particular restricted purposes.

Unrestricted funds

These funds are available for the general purposes of the Hospice, to be used in accordance with the charitable objects at the discretion of the Trustees. From time to time the Trustees may allocate part of the unrestricted funds to be used for particular purposes within the Hospice's objects. Such sums are described as 'designated funds'.

2. Auditor's remuneration

The net income for the year is stated after charging:

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Statutory audit fees	7	-	7	9	-	9
Other services	1	-	1	1	-	1

3. Donations and legacies

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Legacies	972	-	972	1,188	-	1,188
In memory	348	3	351	335	20	355
Individuals	310	-	310	313	12	325
Corporate, clubs and societies	48	4	52	76	-	76
Trusts and foundations	37	68	105	40	54	94
Community fundraising	223	13	236	278	6	284
Welsh Government	25	-	25	26	-	26
	1,963	88	2,051	2,256	92	2,348

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

4. Income from charitable activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Service level agreements	1,719		1,719	1,724	-	1,724
Continuing health care	368		368	321	-	321
Other charitable activities	58		58	60	-	60
	2,145	-	2,145	2,105	-	2,105

5. Income from other trading activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Retail trading	3,400		3,400	3,508	-	3,508
Fundraising	436	1	437	491	-	491
Lottery	380		380	382	-	382
	4,216	1	4,217	4,381	-	4,381

6. Income from investments

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Interest received	17	-	17	16	-	16
Rent from investment property	4	-	4	4	-	4
Dividend income	10	-	10	9	-	9
	31	-	31	29	-	29

7. Other income

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Job Retention Scheme	30	-	30	-	-	-
Retail Business grants	475	-	475	-	-	-
Other	2	-	2	3	-	3
	507	-	507	3	-	3

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

8. Support costs

The Hospice allocates its support costs as shown in the table below in accordance with the basis of allocation set out in the accounting policies.

	Governance £000	Corporate £000	Finance £000	HR £000	Health and Safety £000	ICT £000	Total £000
Raising funds							
Retail trading	17	63	47	29	14	13	183
Fundraising	2	7	5	3	2	1	20
Lottery	1	3	2	1	1	-	8
Investment management	-	-	-	-	-	-	-
Charitable activities							
Community Nursing	6	20	15	9	5	3	58
Hospice At Home	8	31	23	14	7	5	88
Day Hospice	2	8	6	4	2	1	23
In-Patient Unit	8	29	22	13	7	5	84
Education	-	1	1	-	-	-	2
Family Support Team	2	6	5	3	1	1	18
Complementary Therapy	-	2	1	1	-	-	4
Clinical Governance	-	-	-	-	-	-	-
Spiritual Care	-	1	1	-	-	-	2
Occupational Therapy	-	-	-	-	-	-	-
	46	171	128	77	39	29	490

9. Expenditure on raising funds by cost type

	Direct costs 2020 £000	Support costs 2020 £000	Total costs 2020 £000	Direct costs 2019 £000	Support costs 2019 £000	Total costs 2019 £000
Retail trading	2,504	183	2,687	2,368	186	2,554
Fundraising	488	20	508	573	21	594
Lottery	227	8	235	229	8	237
Investment management	6	-	6	4	-	4
	3,225	211	3,436	3,174	215	3,389

10. Expenditure on raising funds by fund

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total costs 2020 £000	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total costs 2019 £000
Retail trading	2,687	-	2,687	2,552	2	2,554
Fundraising	508	-	508	594	-	594
Lottery	235	-	235	237	-	237
Investment management	6	-	6	4	-	4
	3,436	-	3,436	3,387	2	3,389

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

11. Expenditure on charitable activities by cost type

	Direct costs	Support costs	Total costs	Direct costs	Support costs	Total costs
	2020	2020	2020	2019	2019	2019
	£000	£000	£000	£000	£000	£000
Community Nursing	1,089	58	1,147	981	57	1,038
Hospice At Home	1,176	88	1,264	1,095	86	1,181
Day Hospice	443	23	466	417	23	440
In-Patient Unit	1,518	84	1,602	1,436	86	1,522
Education	75	2	77	69	2	71
Family Support Team	237	18	255	237	19	256
Complementary Therapy	50	4	54	52	5	57
Clinical Governance	17	-	17	16	-	16
Chaplaincy	33	2	35	-	-	-
Occupational Therapy	18	-	18	-	-	-
	4,656	279	4,935	4,303	278	4,581

12. Expenditure on charitable activities by fund

	Unrestricted funds	Restricted funds	Total costs	Unrestricted funds	Restricted funds	Total costs
	2020	2020	2020	2019	2019	2019
	£000	£000	£000	£000	£000	£000
Community Nursing	1,147	-	1,147	1,037	1	1,038
Hospice At Home	1,260	4	1,264	1,177	4	1,181
Day Hospice	442	24	466	438	2	440
In-Patient Unit	1,602	-	1,602	1,509	13	1,522
Education	77	-	77	71	-	71
Family Support Team	221	34	255	219	37	256
Complementary Therapy	54	-	54	57	-	57
Clinical Governance	17	-	17	16	-	16
Chaplaincy	35	-	35	-	-	-
Occupational Therapy	18	-	18	-	-	-
	4,873	62	4,935	4,524	57	4,581

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

13. Intangible fixed assets

	Negative goodwill £000
Asset cost	
Brought forward	(278)
Additions	-
Carried forward	(278)
Accumulated amortisation	
Brought forward	(278)
Carried forward	(278)
Net book value	
Carried forward	-
Brought forward	-

Negative goodwill arose following the acquisition of St Anne's In-Patient Unit in June 2013.

14. Tangible fixed assets**Group**

	Freehold land and buildings £000	Leasehold land and buildings £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Asset cost					
Brought forward	234	8,635	212	1,701	10,782
Additions	-	-	10	222	232
Disposals	(9)	-	(9)	(94)	(112)
Carried forward	225	8,635	213	1,829	10,902
Accumulated depreciation					
Brought forward	45	354	156	1,250	1,805
Disposals	(9)	-	(9)	(87)	(105)
Charge for the year	5	90	20	183	298
Carried forward	41	444	167	1,346	1,998
Net book value					
Carried forward	184	8,191	46	483	8,904
Brought forward	189	8,281	56	451	8,977

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

Company

	Freehold land and buildings £000	Leasehold land and buildings £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Asset cost					
Brought forward	234	8,788	212	1,701	10,935
Additions	-	-	10	222	232
Disposals	(9)	-	(9)	(94)	(112)
Carried forward	225	8,788	213	1,829	11,055
Accumulated depreciation					
Brought forward	45	360	156	1250	1,811
Disposals	(9)	-	(9)	(87)	(105)
Charge for the year	5	91	20	183	299
Carried forward	41	451	167	1,346	2,005
Net book value					
Carried forward	184	8,337	46	483	9,050
Brought forward	189	8,428	56	451	9,124

The fixed assets of the Hospice includes £60,000 (2019 - £60,000) under Leasehold land and buildings which relate to depreciated, capitalised cost of services provided to the Hospice by its subsidiary for the construction of the Blackett Avenue site. In the year depreciation of £1,000 (2019 - £1,000) has been charged against this asset.

The fixed assets of the Hospice also includes £85,000 (2019 - £86,000) under Leasehold land and buildings which relate to capitalised cost of services provided to the Hospice by its subsidiary for the construction of the In-Patient Unit. In the year depreciation of £1,000 (2019 - £1,000) has been charged against this asset.

Included in Fixtures, fittings and equipment are assets that were acquired under finance leases with a net book value of £97,000 (2019 - £10,000).

15. Investments**Group and company**

	Property £000	Listed £000	Total £000
Fair value brought forward	65	249	314
Additions	-	260	260
Gains / (Losses)	-	(77)	(77)
Fair value carried forward	65	432	497

Listed investments comprise two investment portfolios managed by two independent investment managers and listed investments held outside the investment portfolios. Cash held from time to time within the investment portfolios as part of normal trading within the portfolios is included in listed investments. The asset classes held in listed investments at 31 March 2020 are shown below:

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

	Portfolio 1	Portfolio 2	Other listed	2020 £000	2019 £000
Fixed income - UK	12	19	-	31	34
Fixed income - International	13	11	-	24	-
Equity - UK	48	-	-	48	73
Equity - International	-	-	1	1	2
Equity funds - UK	13	65	-	78	-
Equity funds - International	65	85	-	150	89
Property funds	8	7	-	15	11
Absolute return funds	10	13	-	23	10
Infrastructure funds	11	5	-	16	11
Alternative structured investments	4	-	-	4	-
Mixed investment	8	-	-	8	9
Cash	25	9	-	34	10
Total investment	217	214	1	432	249

The Hospice owns the entire ordinary share capital in its subsidiary undertaking St David's Trading Limited (company number 05734138). This unlisted investment cannot be measured reliably at fair value so has been measured at cost.

	Subsidiary undertaking £
Group	
Cost brought forward and carried forward	-
Charity	
Cost brought forward and carried forward	1

16. Subsidiary company

St David's Trading Limited, the Hospice's wholly owned subsidiary undertakes two core activities: the sale of new, bought in goods within the Hospice's network of charity shops and the development of a new In-Patient Unit. The development of the new In-Patient Unit is now complete. Profits in St David's Trading Limited are remitted to the Hospice by way of a gift aid payment. At 31 March 2020 St David's Trading Limited had assets of £109,000 (2019 - £100,000) and liabilities of £109,000 (2019 - £100,000). Its funds at the end of the reporting period were therefore £nil (2019 - £nil). The turnover during the year was £199,000 (2019 - £182,000) and expenditure was £199,000 (2019 - £182,000).

17. Stock

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Stock	41	34	1	1
	41	34	1	1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

18. Debtors

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Trade debtors	399	114	399	114
Amounts owed by group undertakings	-	-	-	-
Prepayments and accrued income	999	800	1,091	874
Other debtors	75	86	75	86
	1,473	1,000	1,565	1,074

19. Cash at bank and in hand

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Cash and bank balances	942	993	940	982
Cash on short term deposit	1,500	1,505	1,500	1,505
	2,442	2,498	2,440	2,487

20. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Trade creditors	87	171	87	161
Amounts owed to group undertakings	-	-	56	43
Accruals and deferred income	304	297	302	295
Taxation and social security	93	87	93	87
Obligations under finance leases	18	5	18	5
Pension liability	46	38	46	38
Other creditors	15	12	12	11
	563	610	614	640

21. Creditors: Amounts falling due after one year

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Accruals and deferred income	-	-	-	-
Obligations under finance leases	79	1	79	1
	79	1	79	1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

22. Movement in funds

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	Balance at 31 March 2020 £000
UNRESTRICTED FUNDS						
General fund	12,177	8,862	(8,309)	(77)	19	12,672
Total unrestricted funds	12,177	8,862	(8,309)	(77)	19	12,672
RESTRICTED FUNDS						
Blackett Avenue Day Hospice General	-	3	(3)	-	-	-
Children in Need - Unicorn	5	9	(14)	-	-	-
Children in Need 2019	-	31	(21)	-	-	10
Hoist	1	-	-	-	-	1
Hospice at Home general	-	3	(3)	-	-	-
Hospice at Home (Monmouthshire)	2	1	(1)	-	-	2
Icare	-	10	-	-	(10)	-
IPU new build	-	1	-	-	-	1
Laptops - Advice Line	-	7	-	-	(7)	-
Panteg garden furniture	1	-	-	-	-	1
Patient vehicle	2	-	-	-	-	2
Recliner chair for Usk House	-	1	-	-	(1)	-
Refurbishment of Day Hospice	-	7	-	-	-	7
Social worker fund	2	-	-	-	-	2
Therapy couch for Panteg Day Hospice	-	1	-	-	(1)	-
Trevor Gray Education Centre	9	-	-	-	-	9
Unicorn Project	-	2	-	-	-	2
Usk House Day Hospice general	10	11	(21)	-	-	-
Other restricted funds	3	2	1	-	-	6
Total restricted funds	35	89	(62)	-	(19)	43
Total funds	12,212	8,951	(8,371)	(77)	-	12,715

During the year the balance of certain restricted funds were transferred to unrestricted funds. The original use of these funds was restricted to the purchase of fixed assets. Since the assets are held for a general and not a restricted purpose the balance has been transferred to unrestricted funds in accordance with Charities SORP (FRS 102) paragraph 2.26.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

Name of Fund	Description, nature and purpose of the fund
Unrestricted funds	
General fund	The undesignated unrestricted funds of the Hospice.
Restricted funds	
Blackett Avenue Day Hospice General	Funded from various sources to support our work the Blackett Avenue Day Hospice
Children in Need - Unicorn	Provided by Children in Need to fund the Unicorn Children and young people's service.
Children in Need 2019	Funded by BBC Children in Need to fund our Unicorn Project.
Hoist	Provided by Welsh Church Fund to fund a hoist.
Hospice at Home general	Funded from various sources to support the Hospice At Home service.
Hospice at Home (Monmouthshire)	Funded by the Deymel Charitable Trust to support our Hospice at Home work in Monmouthshire.
Icare	Funded by Hospice UK (NGS development fund) to purchase "Icare", patient information management software.
IPU new build	Funded from various sources to support the costs of the new IPU.
Laptops – Advice Line	Funded by the Rank Foundation to purchase laptops for use on our advice line.
Panteg garden furniture	To fund the re-development of the garden at Panteg.
Patient vehicle	Provided by Caldicot Methodist Church and MonMotors Limited to purchase a vehicle for transporting patients.
Recliner chair for Usk House	Funded by the Lions club of Brecon and the Rotary club of Brecon to fund the purchase of a recliner chair for Usk House Day Hospice.
Refurbishment of Day Hospice	Provided by Plutus Health to fund the refurbishment of our Day Hospice
Social worker fund	This fund received from various sources is used to support patients who are facing financial hardship.
Therapy couch for Panteg Day Hospice	Funded by the Cwmbran Trust for the purchase of a therapy couch.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

Name of Fund	Description, nature and purpose of the fund
Trevor Gray Education Centre	Provided to fund an e-learning suite and staff training.
Unicorn project	Fund to support the Unicorn project. Provided by various funders.
Usk House Day Hospice general	Funded from various sources to support our work in Usk House Day Hospice.
Other restricted funds	Other restricted funds with balances less than £500.

23. Analysis of group net assets between funds

	Investments £000	Tangible fixed assets £000	Other net assets £000	Total £000
Restricted income funds	-	-	43	43
Unrestricted income funds	497	8,904	3,271	12,672
	497	8,904	3,314	12,715

24. Commitments

The group and company's future minimum operating and finance lease payments are as follows:

	Finance leases		Operating leases	
	2020 £000	2019 £000	2020 £000	2019 £000
Not later than one year	22	8	460	459
later than one year but not later than five years	86	2	834	842
later than five years	-	-	4	-
	108	10	1,298	1,301

The net book value of fixed assets held under finance lease are given in note 14.

25. Staff costs

	Total 2020 £000	Total 2019 £000
Wages and salaries	4,760	4,468
Social security costs	370	341
Pension costs	323	277
	5,453	5,086

Included in Wages and salaries are termination payments of £6,000 (2019 – £5,000).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

The number of employees, whose total employee benefits (excluding employer pension costs) for the reporting period, fell within each banding of £10,000 from £60,000 were as follows:

	2020	2019
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

26. Pensions

The Hospice contributed to two pension schemes in the financial year: the Royal London scheme and the NHS pension scheme.

Royal London scheme

The Hospice operates a defined contribution pension scheme for its employees, where all the assets are held in a separately administered fund, which is outside the control of the Hospice. At the year-end there were 167 (2019 - 162) employees who were members of the scheme. Employer contributions charged against income in the year were £131,000 (2019 - £115,000). Outstanding contributions (both employer and employee) at the balance sheet date were £19,000 (2019 - £15,000).

Employees who are enrolled into a pension under "automatic enrolment" are enrolled into this scheme.

NHS scheme

Staff transferring from the NHS may continue to contribute to the NHS scheme. The scheme is a multi-employer, unfunded defined benefit scheme but the Hospice is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reasonable basis and therefore, as permitted by FRS 102 para 28.11, it accounts for the Plan as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the Hospice's contributions payable to the Plan in respect of the accounting period. The employee contribution percentage rates under this scheme vary depending on pensionable earnings. At the year end there were 41 (2019 - 35) who were members of the scheme. Employer contributions charged against income in the year were £191,000 (2019 - £164,000). Outstanding contributions (both employer and employee) at the balance sheet date were £27,000 (2019 - £23,000).

27. Staff numbers

The average number of staff employed by the Hospice during the year was 252 (2019 - 273). Some of the Hospice's employees do not undertake work every month. The average number of staff paid each month was 242 (2019 - 253).

28. Key management personnel

The key management personnel comprise the Trustees and the Senior Management Team as set out on page 13. None of the Trustees were paid any remuneration or received any other benefits from an employment with the Hospice or its subsidiary. Trustees' expenses are set out in note 29. The total employee benefits paid to the key management personnel was £382,000 (2019 - £389,000).

29. Trustees' expenses

No Trustee claimed expenses in the previous two years.

30. Related party transactions

There were no related party transactions in the previous two years.

31. Non adjusting events after the financial period

Subsequent to the year end the worldwide economy has been affected by the Covid-19 virus outbreak. The Trustees believe that at the date of signing the financial statements the Hospice had adequate cash reserves, to meet its liabilities as and when they fall due. Therefore it is considered appropriate to prepare the accounts on going a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

32. Legal status of the Hospice

St David's Foundation Hospice Care is a company limited by guarantee, not having a share capital, exempt from the requirement to use the word "limited" and is a registered charity. The liability of each member in the event of a winding-up is limited to £1.

33. Taxation

The company has obtained charitable status under Section 505(1a) and (1c) Income and Corporation Taxes Act 1988 and has only undertaken primary purpose activities during the year and is therefore exempt from Corporation Tax.