



Annual report and financial statements

For the year ended 31 March 2017

ellenor

Operating name of ELLENOR LIONS HOSPICES.
(Company limited by guarantee)

Company No. 06302132 Charity No. 1121561

*ellenor.**

Ellenor ⁺

FAMILIES FACING TERMINAL ILLNESS

Ellenor.org

Charity Number: 1098765



| CONTENTS | PAGE |
|---|---------|
| Reference and Administrative details | 2 – 3 |
| Trustees' Report (incorporating the Strategic Report) | 4 – 27 |
| Independent Auditors' Report | 28 – 29 |
| Statement of Financial Activities | 30 |
| Balance Sheet | 31 |
| Cash Flow Statement | 32 |
| Notes to the Financial Statements | 33 – 47 |

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|---------------------------|--|
| Status | The organisation is a charitable company limited by guarantee, incorporated on 4 July 2007 and registered as a charity on 9 November 2007 in England and Wales. |
| Governing Document | The company was established under Memorandum and Articles of Association which established the objects and powers of the charitable company. |
| Company Number | 06302132 |
| Charity Number | 1121561 |
| Registered Office | Coldharbour Road, Gravesend, Kent, DA11 7HQ |
| Operating name | From 7 April 2013 Ellenor Lions Hospices changed its operating name to ellenor . The registered name remains as Ellenor Lions Hospices. |
| Operating Office | The main operating office is at Coldharbour Road, Gravesend, Kent, DA11 7HQ. The company also has Children Services and support functions operating from St Ronan's View, East Hill Drive, Dartford, Kent, DA1 1AE. |
| Subsidiaries | <p>Ellenor Lions Hospices Group has two subsidiaries; Ellenor Lions Hospices Trading Limited (registered number 5985820). Ellenor Lions Hospices Lottery Company Limited (registered number 03116416).</p> <p>The principal activities of Ellenor Lions Hospices Trading Limited are to conduct the trading elements of the charity, mainly through the operation of charity shops in order to raise funds for the organisation.</p> <p>The principal activity of Ellenor Lions Hospices Lottery Company is to raise funds for the charity through the administration of a Lottery.</p> <p>The distributable profits of both Ellenor Lions Hospices Trading Limited and Ellenor Lions Hospices Lottery Company are gift aided to the charity at year end.</p> <p>Ellenor Lions Hospices Group also has a dormant company ellenor limited (registered number 09525742). Currently this company has been set up to register and protect the ellenor name. During the year the company had only one asset (1 ordinary share of £1). It has no bank account and one sole director – Tim Hammond (Company Secretary).</p> |

| | | |
|---|--|-------------------------------|
| Trustees serving during the year | Maurice Tutty | (Chair of Trustees) |
| | Val Elms | |
| | Barry Palmer | |
| | David Rolls | (Resigned 31 December 2016) |
| | Mary Saunders | |
| | Dinah Williams | (Resigned 12 September 2016) |
| | Chris Tait | (Resigned 31 December 2016) |
| | Dr Vasu | |
| | Bryan Harris | |
| | Nancy Cogswell | |
| | Catherine Rossiter | |
| | Jan Stanton | (Appointed 12 September 2016) |
| Kerry- Jane Packman | (Appointed 12 September 2016) | |
| David Philpott | (Appointed 12 September 2016) | |
| Trustees appointed post year-end | Glynis Rogers | (Appointed 3 April 2017) |
| | Roger Wedderburn-Day | (Appointed 12 June 2017) |
| Company Secretary | Tim Hammond | |
| Key Management | Chief Executive | Claire Cardy |
| | Director of Patient Care | Jacque Hackett |
| | Director of Income Generation | Rachel Holweger |
| | Director of Finance & Resources | Tim Hammond |
| | Director of Human Resources | Natalie Webb |
| Bankers | Barclays Bank PLC PO Box 427 Maidstone Kent ME14 1TW | |
| Auditors | haysmacintyre Chartered Accountants & Registered Auditors 26 Red Lion Square London WC1R 4AG | |

MAURICE TUTTY – CHAIR OF TRUSTEES

2016–17 was yet another busy year at **ellenor**. We have continued to place our mission to ‘*lead and coordinate the best personalised care for all ages*’ at the heart of everything we do. This can be seen across the charity in our care, education & training, outreach work and care pilot initiatives.

Demand for our services continues to grow. We cared for more than 2,500 families this year, an increase on previous years, and representing an upward trend that we expect to continue year on year. I am very grateful for the incredible hard work undertaken by both our staff and volunteers. Their dedication allows us to continue to offer the very best care to families facing terminal illness in our local community.

We are now in the final year of our current five year strategy. Work is already underway on a new strategic plan that will build upon the hard work, successes and experiences of the past five years, and carries us forward in our vision to 2023 and beyond.

We have felt vindicated in our strategic outlook to date, as various national agencies and other local charities have developed strategic plans very much in line with our own. The demographic outlook, persistent economic challenges, key skills shortage, greater regulation, competition from private enterprises and continued growth in demand for our services provide the landscape for the next stage of our strategic development. We will remain fully focused on our mission and plan to continue developing the organisation to meet the challenges ahead so that all those in need in our local community get the personalised care they require.

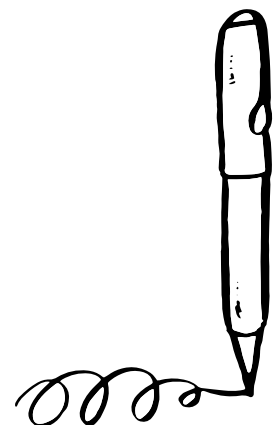
Our priority remains the patient and family experience. As a result, we are continuing to develop associated services such as wellbeing, especially day therapy, and extending our outreach. Partnership working remains key and will feature heavily in our new strategic plans. We expect to increase working with local commissioners, other care providers and education bodies. We currently have several pilot projects as a result of these partnerships, all with the central aim of improving end of life care. Together, these initiatives will help us to continue extending our reach to help more people.

The Board and Executive team continue to operate well together. We have further refined our Governance arrangements, specifically around Board membership. I am confident that our Governance structure provides a healthy environment to lead, support and challenge the organisation as we develop strategic plans for the next phase of operation.

I would like to thank my fellow Board members for their continued support, hard work and commitment as Trustees of this charity. I remain immensely proud of the work we do and the very real impact we have on people’s lives. On behalf of our patients and their families, I would like to say a massive thank you to all of our supporters, staff and volunteers. Your contributions are invaluable and we simply could not provide the services we do without your continued support.



Maurice Tutty
Chair of Trustees



OBJECTIVES, ACTIVITIES AND PUBLIC BENEFIT

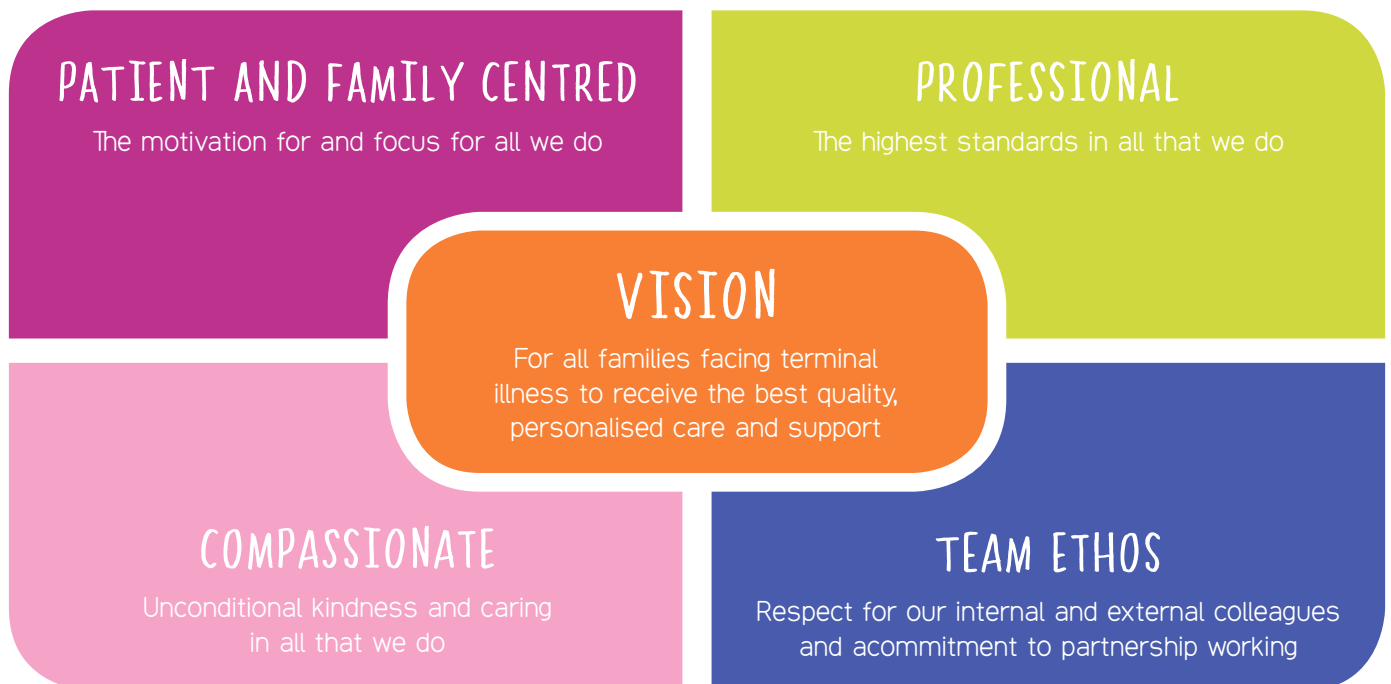


Objectives

Our continuing mission is to lead and co-ordinate the best personalised care for all ages, sharing our expertise to ensure that all families facing terminal illness get the right support in the best place possible, enabling them to make the most of the time they have.

We are now embarking on the final year of our current five year strategic plan for 2013 to 2018. Our vision and mission and the over-arching strategic aims have not changed and remain at the forefront of our work. The strategy reaffirms the values of the organisation, and recognises the contribution and commitment of volunteers and staff across every part of the organisation. A strategic review is underway to shape and define the strategic priorities for the next three to five years.

Our vision and core values



MISSION – To lead and coordinate the best personalised care for all ages, sharing our expertise to ensure that all families facing terminal illness get the right support in the best place possible, enabling them to make the most of the time they have.

Our main aims

- As a provider of Specialist Palliative Care and Hospice Care for adults and children, to extend and develop our services that support patients and families, in order to reach more people who need our care.
- To act as a Palliative Care Lead – raising awareness of end of life issues, promoting good practice and developing our role in educating others to enable more people to get the best care at the end of life.
- To raise and develop our funding and resources to ensure delivery of care and support is maintained and sustainable.

Our Care and Services



Hospice at Home for Adults

Adults under our care can receive our services in their own homes, 24 hours a day. We offer support to care home residents and also have a rapid response service to give hands on and emotional support whenever needed.

Children's Hospice Care

We provide Hospice care for children, young people and their families, in the comfort of the family home. We provide respite care and short breaks, to support the whole family. Our dedicated care team is available around the clock for children at the end of life.

Emotional and Spiritual support

We care for the whole person to promote wellbeing, offering counselling, therapies and spiritual support for patients and their families through treatment and beyond, with the aim of reducing fears and anxieties.

Support for Carers

We give information, advice and practical help for carers and their families to assist with the common challenges people face when caring for someone who is ill. Our award-winning Carers Cuppa and bereavement drop-ins offer carers an opportunity to come together for real peer to peer support.

Outpatient and Day Services

Our team help and support patients with any symptoms they may have, helping them to make the most of life and to overcome any concerns. We provide a variety of therapies to offer relief, enable rehabilitation and to give a chance to meet others.

Inpatient Ward

Our Inpatient Ward at Gravesend provides specialist inpatient care for people from the age of 14 upwards, in a reassuring and peaceful environment. The ward offers symptom control as well as end of life care. A typical patient stay lasts around two weeks.

Sharing Expertise

We provide education and training opportunities for healthcare professionals from any background to ensure that anyone approaching the end of life has access to the highest quality care and support, wherever they live, regardless of their condition.

We have extended our programme of courses for school students, along with links to schools. Through this work we hope to attract a diverse range of people into careers in care through training the next generation of staff.



Our volunteers

We are thankful for the commitment and hard work of our 600 volunteers at ellenor who play important roles in helping us deliver our care work during the year. The majority of our volunteers give up their time to work as carers, in our shops, participate in fundraising activities such as lottery collections, help with reception enquires and in finance. The indicative value of this work we estimate to be about £900k pa, totalling about 115,000 hours of work.

Our Staff

We are a service-led charity, so as well as our volunteers, our 169 skilled staff remain our most important asset. Without their skills, expertise and hard work we would not be able to support and deliver our care achievements during the year. We recognise that we need to improve the way we develop, retain and attract these skilled people into our workforce to enable us to maintain the highest standards of care. Therefore this is a priority area, and we have appointed a Director of HR to lead this work.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

How did we do?

The past year has been busy, and a number of initiatives are ongoing from the previous year. Our vision of reaching more people is being achieved, ensuring more families facing terminal illness receive the best quality care and support. We have cared for more people than ever before, and overcome a number of issues relating to the changing workforce to ensure that we continue to provide the best quality personalised care and support for all ages. We have had a number of successes in recruiting and developing new staff and volunteers to ensure that we have the right people with the right skills in place to deliver our services.

The Trustees have adhered to the Charity Commission public benefit guidance when they review the charity's purpose, objectives, activities, achievements and performance annually.

The key priorities for the year 2016–17 were as follows:

- Further develop our Wellbeing model of care

What we said we would do

We said we would continue to reach out to, and ensure expert care is provided for anyone who needs it, in the place of their choice, to ensure they are able to achieve their preferences of care. We said we would be completing a comprehensive review of our existing day service provision, which would be accompanied by a caseload review of day therapy patients. As part of this review, we would be liaising with our patients in day therapy and the community to feed into the development of the wellbeing model to ensure it meets the needs of wishes of patients and their families

What impact did we make?

We are currently developing a broad programme of groups and classes in order to reach as many patients and carers as possible. These include Therapeutic Gardening, Look Good Feel Better, Music for Wellbeing and Creative Art amongst others. A new timetable of activities has been developed and this will be advertised as widely as possible to welcome anybody living with a life limiting illness and their carers, as well as our current caseload of patients. Our Head of Wellbeing is leading this important aspect of our work.

In order to support this expansion, we have been working hard to develop existing services such as Counselling, Complementary Therapies and our Financial Support Service, all of which have seen huge increases in demand. In order to do this, we have been actively recruiting new teams of volunteers.

I was in desperate need when I rang ellenor for help and received it so quickly. Over the 12 sessions I felt a real connection with my counsellor which has helped me come out the other side. She listened and really did help, she made me feel like I mattered and she was focussed. I couldn't have asked for a better person or counsellor. ellenor were there for my mum and have now been there for me!

• Development of our community outreach work and support for carers

What we said we would do

We said we needed to provide our services where people need them and support carers to provide care for their loved ones. We said we would look at implementing regular clinics and drop-ins in multiple locations across our catchment area where patients and carers would be able to access them.

What impact did we make?

This has been a good year for our carers support. We have appointed a second Family Support Worker which means we are better able to meet the needs of more carers, with an increase in the number of holistic assessments being completed. We have radically changed our Carers Course, in response to feedback, and successfully delivered these in Gravesend and Swanley with plans for further courses in Dartford. We also had our work with bereaved carers recognised when it won an award from the NHS North Kent Clinical Commissioning Groups. There to collect the award was Linda Rush (pictured), who **ellenor** supported during her husband's illness, since his death and now assists in being an ambassador for the support groups, and Sarah Green (pictured), our lead for Carers Support.

I feel more relaxed in knowing where to go for information and how to access required services to benefit our worries prior to this meeting.

Everyone has been wonderfully kind, helpful, knowledgeable, proactive – quite remarkable.

Thank you.



We now have informal drop-ins for carers at two main sites, and are planning other similar services in the community. We continue to support carers in all of our Wellbeing Services and will be developing a new Carer's Information Pack to ensure that carers are made aware of what is available. We have adapted our Complementary Therapies Service so that carers now have the same level of access as patients. Our outreach continues at multiple events throughout the year and regularly in the Swanley Link. We have jointly organised a successful conference to bring together different agencies working with Black and Minority Ethnic (BME) groups, extending our work with diverse communities including the South Asian and Chinese populations. Evaluation of all of our services remains incredibly positive.

In addition, we are working closely with our Children's Service to improve the way we support parents and those bereaved by a child's death. We plan to extend to a seven-day Counselling service and are looking at how we can work in partnership to meet the needs of our service users.

• Working with our local Clinical Commissioning Group (CCG) to reach more families

What we said we would do

We said we would be implementing a number of pilot projects under the banner of ‘Palliative and End of Life Care Coordination’. These included additional funding for beds on our Inpatient Ward, leading a case management approach with local GP practices and the Out of Hours provider to identify patients who would benefit from our support, and a large-scale project with local nursing homes (building on our own successful existing work) to provide additional support with palliative care.



Fewer than 4% of patients on our care home caseload die in hospital

What impact did we make?

By reaching out to our Lead Commissioner we have established a more cohesive working relationship. We have been formally recognised by the CCG for our progress over the last few years, and were recently asked to collaborate with the lead commissioner to design and deliver an innovative pilot to support palliative and end of life care patients.

A joint business case was submitted to the CCG, securing 18 months funding for pilot projects. The projects aim to achieve:

- Earlier identification of palliative care needs of patients in the last year of life
- Reduction in inappropriate hospital attendances for people at the end of life
- Reduction in poly-pharmacy in nursing homes
- Increased hospice referrals of appropriate patients

The project has been an example of true partnership working. The CCG commissioner works from the Hospice regularly and is on first name terms with many of the staff within **ellenor**. Communication with the CCG has vastly improved and we are more widely recognised as the local experts in palliative & end of life care. We produce a number of KPIs every month to evidence outcomes and change locally.

• Improve our income generation

We continue to face huge challenges in growing our income, and we have a responsibility to ensure we respond to these challenges and can generate sufficient funds for current and future needs.

What we said we would do

We said we would continue to develop the income growth and return on investment from our fundraising initiatives. We said we would continue to develop our retail operations to maximise income. We would also continue to work with statutory funders to build a strong evidence base for our impact in order to attract increased funding.

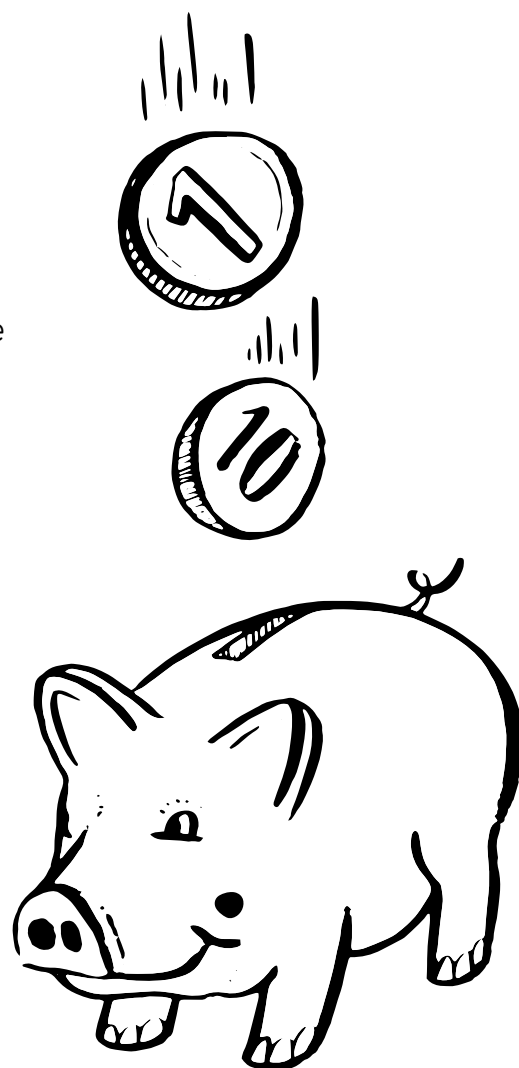
What impact did we make?

The climate for fundraising is more difficult than ever, with increased competition and greater regulation. We continue to review our voluntary income generation, and a Sub-Committee of the Board meet quarterly to provide strategic oversight to this important area. Despite the challenges we continue to see growth, and raised more money through voluntary sources than ever before. We continue to see strong results in legacy income.

Our Retail division is now part of the Income Generation Directorate, ensuring a more joined up approach and maximising opportunities for raising funds. A new Head of Retail has been recruited and has undertaken a comprehensive review of this division of our work. A number of initiatives have been introduced, which are already reaping rewards. One element is a drive to increase the amount of Gift Aid through staff support and training, and this is already starting to improve results.

We have also invested in a new Head of Communications and Marketing, to ensure that our messaging and public profile remain strong and continue to attract supporters. We have achieved good results in press releases and positive stories, including a four page spread in the premier county-wide lifestyle magazine "Kent Life".

Our Children's Hospice at Home Appeal continues to attract support, with a number of high profile individuals taking on the challenge to raise money to enable us to help all the children who need our care in the future. The Head of Information and Service Development continues to work closely with our statutory funders to provide the significant data required to maintain our income.



• Implement a new HR strategy

This is a key priority area, as staff and volunteers are our biggest asset.

What we said we would do

We said we would produce a new HR strategy to set out how we would position ourselves to attract, recruit, retain, develop and support our staff and volunteers, to ensure the workforce is fit for the future and able to respond to the changing environment.

What impact did we make?

Our Director of HR devised and communicated a HR strategy which was ratified by Trustees. The strategy sets out a number of key areas of work for the years ahead and has been well received by staff. Amongst the achievements so far are:

- A successful recruitment strategy for clinical staff resulted in all substantive vacancies being filled
- The new pay policy was implemented in order to ensure a fairer, more equitable way to reward staff
- A Management Development Forum has been introduced, covering a range of people management topics, to ensure our managers are trained and equipped to provide a consistent and competent approach
- A comprehensive staff engagement plan was devised and implemented, in conjunction with the Staff Communications Group and the Senior Management Team
- A review of our induction training and process has resulted in this being improved and streamlined with good feedback from new joiners
- A new Volunteer Coordinator role has been introduced to improve the way we attract, recruit and develop our volunteer workforce, without whom we could not provide our vital services

• Property development

What we said we would do

We said we would develop a strategy for the future property requirements of the organisation, maximising the potential of the assets we hold and aiming for an improved environment for our longer term needs.

What impact did we make?

We have established a Property Sub-Committee of the Board, chaired by a Trustee, which has set out a plan for the future requirements for the organisation's facilities, to support the delivery of our ongoing strategic aims. There is a clear business case for development, as we continue to experience increasing demand for our services, and our current property portfolio has evolved over time due to the way the charity has developed, and does not meet our current or future needs.

A feasibility study has been undertaken to assess our future needs and how to address them, resulting in the development of a vision and masterplan for the future. The Board has approved this vision, and agreed that work can be undertaken to prepare for a planning application. The Sub-Committee continue to meet to appraise the costs and plans for the project. The development will necessitate a capital fundraising appeal in due course, and this is being planned.

• Collaboration

Working in partnership with others remains a core value.

What we said we would do

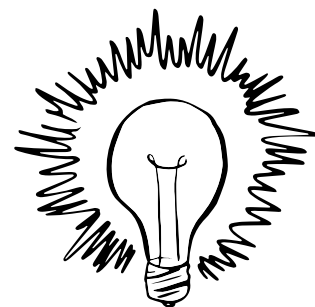
Continue to look for opportunities to collaborate across all functions, including with other external organisations, where appropriate.

What impact did we make?

We continue to develop a number of partnerships including a productive one with our local ambulance service to deliver a better service locally to end of life patients. This is starting to show real results through reduction in ambulance admissions into the local hospital through direct admissions to our ward (as part of our pilot work). We are also delivering training and telephone advice to the crews to improve their knowledge of end of life care.

We are also maintaining our relationships with specialist carer support and dementia services to enhance the care we provide.

This year we will develop further relationships to deliver some of our outreach work in those places that we provide a core service.



• Communication and systems

To enable us to develop clear and improved communications, both internally and externally.

What we said we would do

We said we would continue to invest in systems where required to enhance the quality and consistency of the information we collect about the impact of the services we provide.

What impact did we make?

We continue to invest in our IT infrastructure to upgrade, replace systems and upgrade hardware to ensure they are fit for purpose to support our hospice services, to improve patient care and to enable us to meet the growing demand for our services.

We invested in significant support for our clinical records system as part of a pilot project to make **ellenor** 'palliative care currency ready'. As part of this project, we have improved the system and staff have bought into the changes which is improving our reporting and information.

As a second part of this investment, we are currently looking at cost effective systems to enable us to provide real time data to commissioners and managers to enable planning of services and monitoring of our contracts and proactively manage staffing or services. We aim for this to be fully operational with 'real time' data by the next financial year.

OTHER ACHIEVEMENTS AND KEY IMPACTS

Below are just some of the many achievements and key impacts we have made in our local community during the year ended 31 March 2017.



90% of our care was delivered to people at home giving families time to be with each other.

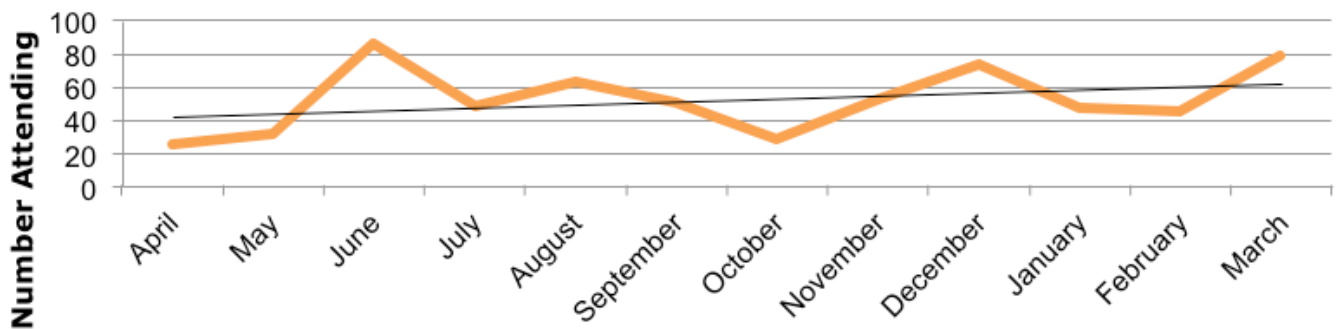


Fewer than 1 in 5 of our patients die in hospital

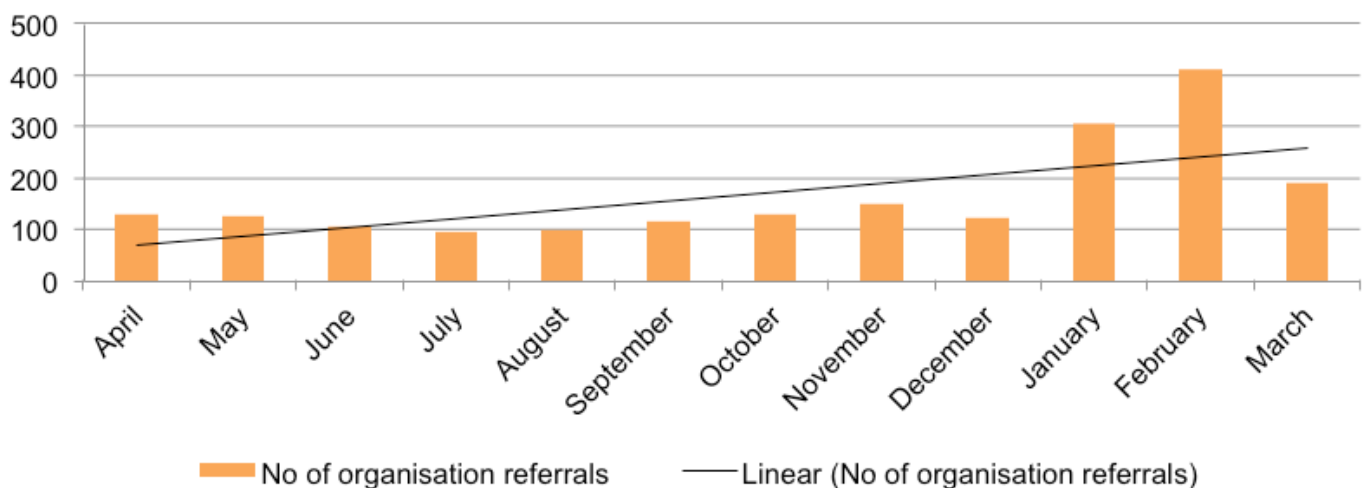


98% of Friends and Family cards rated us as excellent or good.

ellenor Carers' Cuppa Attendance



ellenor Patient, Carer & Family Referrals



On average 89% of our patients achieve their preferred place of death, meaning they can die surrounded by their loved ones in a place that they feel comfortable



We care for all ages. Last year we supported those aged 0-108 years old

Our community clinical staff made 7,860 home visits which is equivalent to 22 visits per day

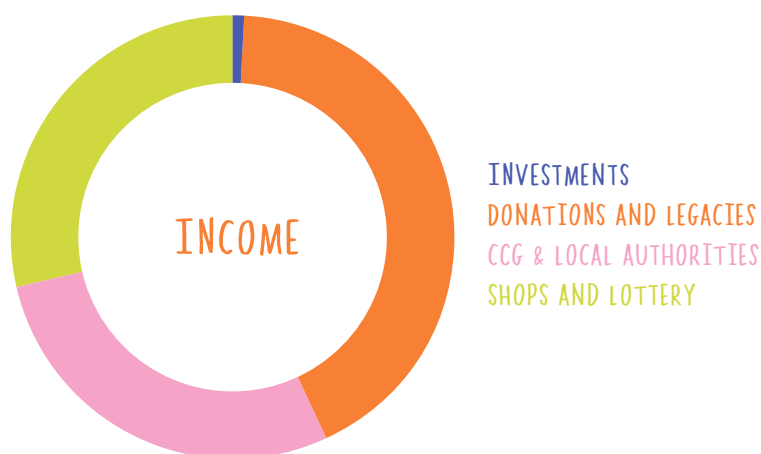


FINANCIAL SUMMARY

The Consolidated Statement of Financial Activities (SOFA) on page 30 reports a surplus for the year of £164.6k (2016, deficit £196.9k). Our income for the year, including net gains on investments, totalled £7.0m (2016, £6.4m). We continue to face increasing demands for our services while continuing to invest in Fundraising, facilities and IT, controlling costs elsewhere. Our expenditure for 2017 is £6.8m (2016, £6.6m). There was an increase in cash and cash equivalents during the year of £146.0k shown by the Consolidated Cash Flow Statement on page 32. Our cash position remains as one of our key concerns. Achieving financial sustainability remains a key priority,

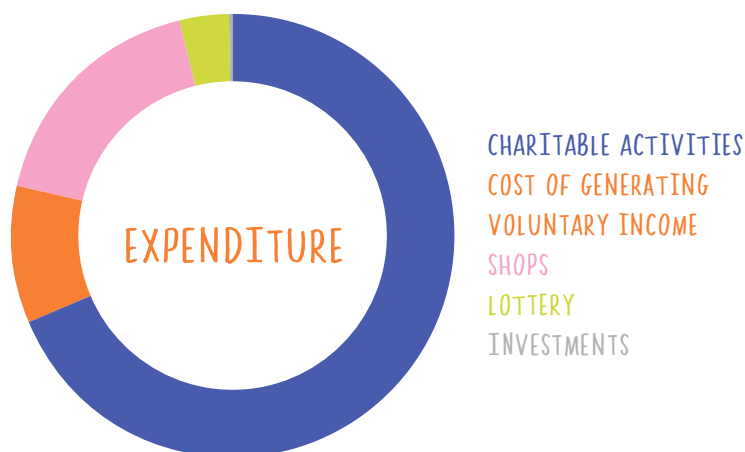
How we raised income?

Total group income has increased by £419k in 2017 compared to 2016. The largest increase in income relates to charitable activities, with an increase of £212k to fund a pilot to reduce hospital admissions. We were particularly grateful for the £1.1m we received from legacies, 72% of the total income came from general public donations which emphasises the importance of our continued reliance on our local community to sustain the vital care work we do each year. In an increasing competitive environment we maintained our income from donations and legacies to a similar level to the previous year. We were pleased to increase income performance from our trading activities during the year to £2.0m (2016, £1.7m)



How was the money spent?

In order to maintain and develop our care services in future years we continued to invest money in fundraising, trading and lottery activities. We spent money refurbishing property, developing systems and modernising our equipment. Despite inflationary increases we controlled expenditure to ensure we ended the year with a net surplus.



In 2017 for every **£1** spent on fundraising **£4** was raised for the charity.

RESERVES

Policy

The Trustees have agreed a reserves policy with a target to have enough free reserves to maintain 6 months of the charity's operating costs. The Trustees believe this level of funds is necessary to ensure an uninterrupted provision of its charitable activities due to the unpredictable nature of the charity's incoming funds.

Whilst the Trustees and the Senior Management Team are confident that the organisation has good internal management of cash flow and budgetary processes, the timing of incoming funds into the charity is always difficult to predict due to their nature. The Trustees and Senior Management monitor and review cash reserves on a weekly basis. The charity relies predominantly on incoming funds from voluntary income via Fundraising. The receipt of certain elements of this type of income, such as legacies and general donations, can be hard to predict and forecast, therefore the charity requires cash reserves to maintain working capital and smooth out these fluctuations.

Reserves during the year

Charity funds were £5.5m at the end of the year, of this £1.8m is restricted and £2.0m has been designated for specific purposes. After accounting for these restricted and designated funds, £1.7m remains as free reserves. These free reserves equates to four months cover based on the charitable spend of £4.7m in the year ended 31 March 2017. Although this is currently behind the trustees agreed reserves policy and target to have enough free reserves to maintain six months charitable expenditure cover, free reserves increased during the year by £337k.

The target is part of a longer term financial plan to grow reserves by investing in growth areas of fundraising and systems, equipment and facilities to improve care provision efficiency. During the year further investment went into fundraising, particularly in the growth of lottery membership and shop refurbishment. We also continued to invest in IT equipment to improve patient information and data capture for our hospice at home service.

The group cash in the bank and in hand increased by £146k during the financial year. Despite an unpredictable and fluctuating economic environment in which the organisation operates, the charity monitored and controlled working capital well during the year. There was no requirement to further draw down on the secured loan with a value of £200k. The amount drawn down remained as per the previous year at £11.5k.

The charity continued to develop longer term plans to improve and develop our hospice care facilities. A further £50 thousand of our £906 thousand restricted legacy was spent on feasibility reports during the year to further understand development potential and affordability. This development work will continue and expand in 2017 with a likelihood of increased expenditure being used from this restricted legacy.

THANK YOU

Thank you to all our supporters who have helped us to raise this income during the year, which meant we were able to continue to develop and improve our care for patients and families.

We receive a lot of compliments for our service. Below are a few of the huge number of “thank yous” we have received from the families we have supported.

I could not care for my child without the support of ellenor. My nurse is wonderful and gives me all the support & encouragement that I need to carry on. All the nurses in the team that I have met are very supportive and are always up to date on my child's care so there is always someone for me to talk to. I do not feel that any question I have to ask is considered silly and I am always treated respectfully.

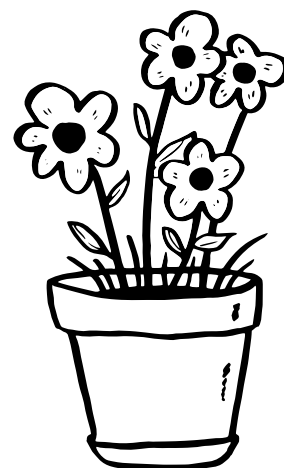
This has been an incredibly difficult journey which will continue for some time to come. The fact that I have been able to come to ellenor and be supported professionally and with such care and respect is not easily measured in words. The work that takes place to support people in their darkest times is incredible. I would like to extend my heartfelt thanks for making my journey more bearable and giving me the tools to cope.

Just a note to say how much I appreciated your care and attention you gave my late husband in the last few days of his life. From reception, cleaners, volunteers and right to the top, nurses and doctors, you were a team of professionalism and care. He was kept clean and comfortable throughout his stay. Though I wish we were still together his passing was comfortable and serene so thank you from the bottom of my heart for everything you did for him. I will be forever grateful. This comes from the family too.

I had a completely wrong idea and image in my head. I am delighted my mum is able to be comfortable for the final few days of her life. The staff and environment here are outstanding not just for my mum but for all of us during this hard time.

Thank you so much to everybody involved.

My father passed away at the hospice. It was very quick for us as a family from the time we found out how ill he was to losing him, in fact it was three weeks. My mother found the whole experience too much but as a family we helped her through this time. He spent his last week at the hospice where he was well looked after. I would like to take this opportunity on behalf of my mother and the rest of the family to thank the nurses and doctors that cared for him. They not only looked after my father but had time for my mother.



Without ellenor's care, I do not know how we/I could have got through. Your work with us must have saved the NHS thousands of pounds. I do hope the NHS increases your funding. I have no criticisms at all.

To the lovely nurses who came to our house and helped my mum in her final days. Thank you for supporting us and my mum. A special thank you for hunting around for bed slopes and inflatable mattress to help make my mum more comfortable. Thank you for helping us when we just didn't know what to do. You all do an amazing job.

I could not be more happier with this service. I was in desperate need when I rang ellenor for help and received it so quickly. ellenor were there for my mum and have now been there for me!

FUTURE PLANS

We are embarking on the final year of our current five year strategy. Our overarching vision, mission and aims remain the same. We know there are more people out there that would benefit from our help, support or expertise. Therefore we want to reach more people, and ensure we can widen our access to those we may not currently be helping. We do this against the backdrop of financial uncertainty, and greater competition in raising income. We are also working in a climate of greater regulation and compliance and it is imperative that we respond to the changing requirements. Ultimately, the care of patients and families remains our biggest priority, and we must find ways to develop our services to meet the growing needs in this difficult economic climate.

The following future plans address these challenges:

Continued improvement to the Quality and Safety of our Care

We are committed to ensuring the highest standards of patient care and especially ensuring good clinical governance. We have reviewed our clinical governance structure, and listened to feedback from patients and families, to identify how we need to improve the ways we manage this area.

We will improve the quality and safety of our care by:

- Improving Patient Safety: We are restructuring our clinical meetings to meet the changing needs of governance within the organisation, as well as develop a quality strategy to complement the care strategy. These meetings facilitate the delivery of care and support governance requirements, ensuring that quality and safety issues are seen at senior management level.
- Developing clinical effectiveness: Team skill mix and staff development are essential to deliver effective services to retain staff in a time when it is hard to recruit all levels of clinicians. We will implement a 'talent management' pathway for nurses in order to retain and develop specialists from newly qualified staff- providing training to 'home grow' the staff needed to deliver the services. We have also adjusted team structures in our services, which will allow varying levels of staff to develop through mentoring and progression.

To help us achieve these important areas of improvement, we will look to appoint a Clinical Governance Lead Nurse, to ensure the right leadership and support is in place to deliver safe services of the highest quality.

Development of our Property and Facilities

Continuing the work commenced in the previous year, we need to ensure we have first-class facilities which are fit for the future. As well as the longer term project, we need to address the current space issues for our staff and volunteers.

We will continue to implement the plans to improve our facilities under the oversight of the Property Development Sub-Group.

This will include working up towards a planning application for development of the Gravesend site.

In the interim, we are committed to ensuring that our staff and volunteers have the right environment to carry out their roles effectively. In response to feedback from our staff, and following a review of our current facilities, there is a plan to relocate staff away from the Dartford site. This will ensure that all clinical and care staff are co-located, aiding inter-departmental communication and support. It will also enable better use of our existing freehold assets.

Demonstrating the impact of our work

Providing the highest quality care for patients and families is of paramount importance. It is vital that we continue to review and develop our services to ensure they meet the needs of the people we serve, and that we are able to demonstrate this clearly to supporters and funders.

We will continue to develop new ways to assess and evaluate the impact of the care we provide to patients and families, and build a stronger evidence base for our strategic plan.

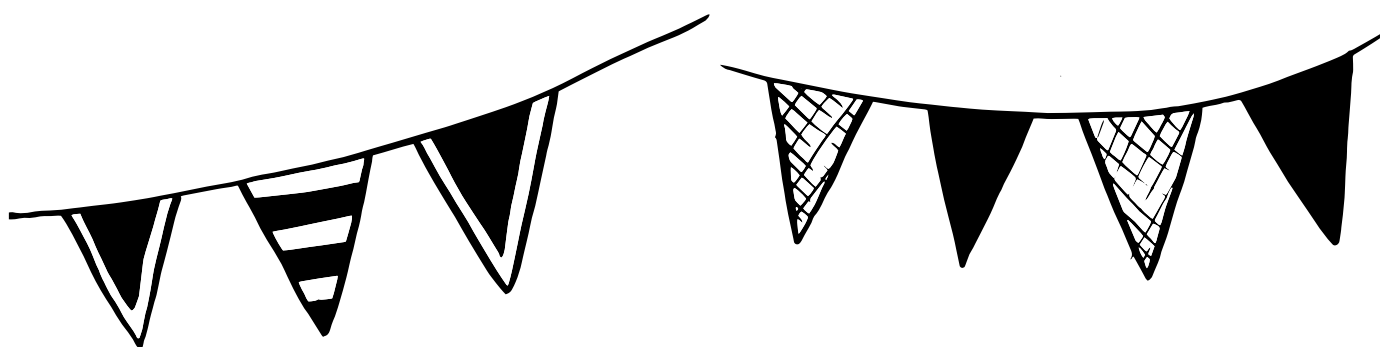
- We want to ensure views on our care are obtained consistently and that we monitor that patients are receiving the care that they need, irrespective of their diagnosis, in a measured way. We have tested the use of Integrated Patient Outcome Scale (IPOS), Views on Care (VoC) and Carers Support Needs Assessment Tool (CSNAT) over the last year and we now want to embed these fully in practice. We plan to incorporate these tools into the core documentation system so that they become core information, accessible to all members of care staff.
- We will review the way we manage and analyse key information about our work. We need to ensure that we have a robust set of data that clearly demonstrates the value of our work, and identifies the areas we need to focus on. This will mean investment in new systems and resources to ensure we have the right ways to capture and collate this information, with minimal impact on service delivery.
- We will develop and improve our data capture and KPI's, so that we can effectively demonstrate to our stakeholders and supporters the impact we make in our local community. Also to show to the families we support that our services make a real difference to those patients at the end of life, in areas such as pain relief and to ensure it meets their wishes.

Reaching more of our local community

We have continued to achieve success in reaching more people who need our help, for example in increasing the number of patients with conditions other than cancer who benefit from our support, and in extending our work in care homes. We have helped more people than ever before but we know there are key groups we are not supporting as fully as we might.

We will set out a clear plan to reach our local community who are currently under represented.

- We will build on links with people from BME communities in our local area, ensuring that we offer culturally appropriate services for patients and families regardless of religion or ethnicity.
- We will explore opportunities to work with homeless people who need hospice or palliative care.
- We will investigate the potential of a mobile outreach service which can visit key remote geographical areas, from where local residents may find it harder to access our care.



RISK

The Trustees regularly review the risks faced by the charity to develop proportionate controls and deliver on the charity's strategic aims. The charity operates a single working Risk Register which is regularly appraised and the level of risk is assessed by the Trustees and Senior Management Team. The Risk Register follows the Charity Commission CC26 guidance and principles on managing risks.

Sections of the Risk Register are reviewed, updated and minuted at every subcommittee meeting. It is then collated into a single document to be appraised at the Risk and Governance Committee, who then report to the Board on a quarterly basis. The full risk register is available to any Trustee or external agency upon request.

The Trustees have reviewed our financial position and financial forecasts, taking into account the levels of investment reserves and cash, and the systems of financial control and risk management. The Trustees believe that we are well placed to manage operational and financial risks successfully. Accordingly, they consider that the charity has adequate resources to continue in operational existence for the foreseeable future as a going concern.

During the year the major risks identified and reviewed by the Trustees included:

- **Risk** – generating enough income and have enough reserves to have sustainable funding to meet the continuing demand for our services. The charity continues to raise funds in a uncertain and competitive economic market, where we are thankful to the continued generosity of our local community to raise the 72% of income required from voluntary fundraising.

Existing controls – investment in growth areas of fundraising income continued during the year. For example, investment in our lottery increased membership and net income. This investment should help support increased available net funds to the charity over the next few years. The cash flows of the charity are monitored and forecasted on a weekly basis and expenditure is planned accordingly through good stewardship. At the yearend free reserves and cash in the bank increased against the previous year.

- **Risk** – unable to attract, recruit, retain, develop and support our staff and volunteers, to ensure the workforce is fit for the future and able to respond to the changing environment.

Existing controls – implemented and communicated throughout the organisation a Trustee approved HR strategy that addresses some of the key risks associated with staff and volunteer resources. During the year we implemented a diverse recruitment strategy, collaborating with other organisations where necessary, to successfully recruit key staff and volunteers. The charity implemented a revised pay policy to support transparency, consistency and fair pay.

- **Risk** – facilities are not adequate to meet the increased demands and fluctuating needs of the families the charity cares for.

Existing controls – under the governance of the Property Committee, the charity continues to develop plans and research appropriate funding to improve and modernise our current facilities to ensure they are fit for future purpose and space is efficiently used.

- **Risk** – IT systems and processes fail or performance impacts on ability to deliver an effective hospice service.

Existing controls – IT strategy being further developed to ensure we have an appropriate resource, budget and capability to improve performance and stability. During the year further investment was spent on the continued development in our IT infrastructure to support the efficiency of our care services and improve our patient data information. Work continues to implement Cyber Essentials accreditation.

- **Risk** – reputational risk resulting in loss of support from not being proactive in the charity's fundraising and regulatory compliance.

Existing controls – governance of the organisation is regularly reviewed and monitored under the stewardship of the Risk and Governance Committee. As a paid member of the Fundraising Regulator, the charity has reviewed and put in place processes to ensure it meets its requirements under the Code of Fundraising Practise for the UK. During the year work has begun to develop actions and plans to ensure we have appropriate resource and processes to be ready for the new General Data Protection Regulation from 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Ellenor Lions Hospices is an incorporated charity governed by its Memorandum and Articles of Association under the stewardship of a maximum of 14 Trustees. Trustees are appointed by the Board and annually one-third of Trustees retires by rotation and may offer themselves for re-election in accordance with the Articles of Association. The charity's Trustees and Executive team regularly review the skills and capabilities of the Board. Various recruitment methods are used to ensure the charity attracts a good selection of candidates and interviews are conducted by panel. Prior to election new Trustees are given an induction and probation period.

The Trustee Board

The Board of Trustees meets on a quarterly basis to set and review the strategy of the charity. The Chief Executive is appointed by the Board and has delegated responsibility for the day to day management of the charity with the support of the Executive Management Team.

The Board of Trustees is fully committed to the financial stewardship, quality and safety of the charity. The organisation has a well-established governance structure, with members of the Board having an active role in ensuring that the hospice provides a high quality service in accordance with its Statement of Purpose. All sub-committees are chaired by a Trustee with a quorum of at least two Trustees in attendance at every meeting. The committees are well established in order to monitor and review services.

Sub-Committees

The Board is advised by a comprehensive range of sub-committees, the membership of which not only consists of Trustees and Senior Management but also advisory expertise in the form of honorary members. The regular sub-committees are:

- Care Clinical Governance Committee
- Finance and Investment Committee
- Risk and Governance Committee
- Voluntary Income Generating Committee
- Health and Safety Committee
- HR Committee
- Property Committee

The HR Committee appraises the organisation's HR strategy, staff terms and conditions to help ensure equity and best practice, making recommendations to the Board where necessary.

Pay policy

ellenor will seek to ensure that all employees receive appropriate pay and reward for their work, taking into account the financial resources available. All decisions about pay will be taken according to the principles of equal pay for work of equal value. **ellenor** aims to reward people fairly and equitably and recognise individually the contribution which each person makes towards our success. **ellenor** wants to ensure accountability, transparency, objectivity and equality of opportunity.

Money available for pay reviews will take into consideration the financial position of the charity during the year and the likely financial position in subsequent years via the charity's budget approval process. The approval to have a budgeted pot of money available to fund pay proposals will be approved by the Board and recommended by the HR Committee. The Board will seek to approve these recommendations under the annual budget process.

The Board delegate responsibility for individual non-executive pay proposals to the Pay Review Group comprising of the CEO, HR Director, and Director of Finance & Resources as well as the Divisional Director & Head of Department recommending the proposal.

The Board delegate responsibility for setting Executive pay to a panel of the HR Committee comprising of Trustees only with external benchmarking provided by the HR Director.

Governance

The Risk and Governance Committee oversee the stewardship and monitoring of the charity's governance systems, processes and reporting. The Risk and Governance Committee delegate the day to day governance of the charity to the Senior Information Risk Owner (SIRO). SIRO forms part of the Director of Finance & Resources responsibilities. To support good governance and best practice the SIRO has support from a Caldicott Guardian (Director of Patient Care) and an Information Governance Lead (Head of Support Services).

Fundraising Regulation

The Voluntary Income Generation Committee and the Board of Trustees have oversight of the organisation's compliance with fundraising regulation, and receive regular reports on this matter. We will continue to adhere to the code of fundraising practice issued by the Institute of Fundraising.

The charity is a paid up member of the new Fundraising Regulator which has been established following the Etherington review. Their role is to set the national standards for fundraising practice, investigate cases of malpractice, and adjudicate complaints from the public and crucially to operate a fundraising preference service (FPS). The Head of Communications and Marketing will continue to monitor and keep up to date on the changes in fundraising regulation ensuring any direct mail preferences are actioned promptly and efficiently. The charity monitors and reviews third party suppliers to ensure they also adhere to the code of fundraising practice. Our fundraising staff are trained to ensure we maintain good standards of communication to ensure we protect our valuable supporters in particular those who are vulnerable.

We have robust processes in place and will continue to review these regularly in line with new regulatory developments. Fundraising risks will continue to be recorded in the Risk Register and reviewed at the Governance meeting.

STATEMENT OF THE BOARD OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Trustees, who are also directors of Ellenor Lions Hospices for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts 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 and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 assume that the charitable company will continue on that basis

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Company's website.

Each of the Trustees, who held office at the date of approval of this Trustees' Report, has confirmed that there is no information of which they are aware which is relevant to the audit but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are made aware of such information.

AUDITORS

haysmacintyre have expressed their willingness to continue in office as auditors. A resolution proposing that haysmacintyre be reappointed as auditors of the charitable company for the forthcoming year will be put to members at the Annual General Meeting.

Approved by the Trustees on 11th September 2017 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'M. Tutty', with a stylized flourish at the end.

Maurice Tutty
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELLENOR

We have audited the financial statements of **ellenor** (operating name of Ellenor Lions Hospices) for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 26 and 27 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017 and of the group's and the parent charitable company's net movement in funds, including the group's and the parent 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.

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 (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

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:

- the charitable company and group have not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated 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.



*Anna Bennett (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor*

*26 Red Lion Square
London
WC1R 4AG*

11th September 2017

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR END 31 MARCH 2017

ellenor Operating name of Ellenor Lions Hospices. (Company limited by guarantee) Company No. 06302132 Charity No. 1121561

| | Notes | Restricted Funds £ | Unrestricted Funds £ | Total 2017 £ | Total 2016 £ |
|---|-------|-----------------------|-------------------------|--------------------|--------------------|
| INCOME FROM: | | | | | |
| Donations and legacies | 2 | 93,157 | 2,796,582 | 2,889,739 | 2,889,326 |
| Charitable activities <i>Services for families facing terminal illness</i> | 3 | 511,405 | 1,427,440 | 1,938,845 | 1,726,019 |
| Other trading activities <i>Charity retail shops and lottery</i> | 8 | - | 1,957,749 | 1,957,749 | 1,773,459 |
| Investments | | - | 23,027 | 23,027 | 24,172 |
| Other | | - | 43,415 | 43,415 | 21,447 |
| Total income | | 604,562 | 6,248,213 | 6,852,775 | 6,434,423 |
| EXPENDITURE ON: | | | | | |
| Raising funds Fundraising and trading activities | | - | 2,118,711 | 2,118,711 | 2,134,975 |
| Charitable activities Services for families facing terminal illness | | 694,896 | 3,969,002 | 4,663,898 | 4,492,394 |
| Other | | - | 6,968 | 6,968 | 3,189 |
| Total expenditure | 4 | 694,896 | 6,094,681 | 6,789,577 | 6,630,558 |
| Net gains/(losses) on investments | 11 | - | 101,382 | 101,382 | (757) |
| Net movement in funds | 7 | (90,334) | 254,914 | 164,580 | (196,892) |
| Funds brought forward | | 1,872,671 | 3,418,210 | 5,290,881 | 5,487,773 |
| Funds at 31 March 2017 | | 1,782,337 | 3,673,124 | 5,455,461 | 5,290,881 |

The notes on pages 33 to 47 form part of these financial statements

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

All amounts derive from continuing activities.

Full comparative figures for the year ended 31 March 2016 are shown in note 24.

CONSOLIDATED AND CHARITY BALANCE SHEETS FOR THE YEAR END 31 MARCH 2017

ellenor Operating name of Ellenor Lions Hospices. (Company limited by guarantee) Company No. 06302132 Charity No. 1121561

| | Note | Group | | Charity | |
|---|------|------------------|------------------|------------------|------------------|
| | | 2017 £ | 2016 £ | 2017 £ | 2016 £ |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 10 | 3,099,200 | 3,289,337 | 2,982,878 | 3,130,163 |
| Investments | 11 | 14,022 | 12,640 | 14,024 | 12,642 |
| Investment Properties | 11 | 1,087,500 | 987,500 | 1,087,500 | 987,500 |
| TOTAL FIXED ASSETS | | <u>4,200,722</u> | <u>4,289,477</u> | <u>4,084,402</u> | <u>4,130,305</u> |
| CURRENT ASSETS | | | | | |
| Stocks of goods for resale | 12 | 22,660 | 27,283 | - | - |
| Debtors | 13 | 551,896 | 492,817 | 1,065,222 | 1,053,265 |
| Cash at bank and in hand | | 1,241,918 | 1,095,938 | 674,666 | 643,081 |
| TOTAL CURRENT ASSETS | | <u>1,816,474</u> | <u>1,616,038</u> | <u>1,739,888</u> | <u>1,696,346</u> |
| CREDITORS: amounts falling due within one year | 14 | (561,735) | (614,634) | (402,914) | (437,897) |
| NET ASSETS | | <u>5,455,461</u> | <u>5,290,881</u> | <u>5,421,376</u> | <u>5,388,754</u> |
| FUNDS OF THE CHARITY | | | | | |
| Unrestricted funds: | 17 | | | | |
| General funds | | 1,636,505 | 1,299,818 | 1,602,420 | 1,397,691 |
| Designated funds | | 2,036,619 | 2,118,392 | 2,036,619 | 2,118,392 |
| Restricted funds | | 1,782,337 | 1,872,671 | 1,782,337 | 1,872,671 |
| TOTAL CHARITY FUNDS | | <u>5,455,461</u> | <u>5,290,881</u> | <u>5,421,376</u> | <u>5,388,754</u> |

The charity net movement in funds for the year ended 31 March 2017 is a surplus of £32,622 (2016: deficit £196,892)

The Accounting Policies and notes on pages 33 to 47 form part of these Accounts.

The Accounts were approved and authorised for issue by The Board on 11th September 2017 and were signed below on its behalf by:



Maurice Tutty
Chair of Trustees

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

ellenor Operating name of Ellenor Lions Hospices. (Company limited by guarantee) Company No. 06302132 Charity No. 1121561

| | Note | 2017 | | 2016 | |
|---|------|------------|--------------|------------|--------------|
| | | Group £ | Charity £ | Group £ | Charity £ |
| Cash flows from operating activities | 20 | 200,747 | 79,540 | 336,297 | 330,433 |
| Cash flows from investing activities | | | | | |
| Purchase of tangible fixed assets | | (54,763) | (47,955) | (69,090) | (39,623) |
| Cash provided by (used in) investing activities | | (54,763) | (47,955) | (69,090) | (39,623) |
| Increase (decrease) in cash and cash equivalents in the year | | 145,980 | 31,585 | 267,207 | 290,810 |
| Cash and cash equivalents at the beginning of the year | | 1,095,938 | 643,081 | 828,731 | 352,271 |
| TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | 1,241,918 | 674,666 | 1,095,938 | 643,081 |

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Statement of Compliance:

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 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

ellenor 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).

General information:

The charity is a private company limited by guarantee, incorporated in England and Wales (company number 06302132) and a charity registered in England and Wales (charity number: 1121561). The charity's registered office is shown on page 2.

Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves level and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiaries Ellenor Lions Hospices Trading Limited (company number 05985820) and Ellenor Lions Hospices Lottery Company Limited (company number 03116416) on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The net movement of funds of the parent charity was a surplus £31,406 (2016: deficit of £196,892).

Income recognition

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

Donations and legacies

Donations in cash and gifts are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

Grants

Grants are recognised in full in the statement of financial activities in the year in which the charity has entitlement to the income, where grant conditions have been met, the amount of income receivable can be measured reliably and there is probability of receipt.

Income from charitable activities

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

1. ACCOUNTING POLICIES (continued)

Investment income

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

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. Expenditure is classified under the following activity headings:

- Costs of raising funds comprises of fundraising, charity shops, lottery and trading activities
- Expenditure on charitable activities comprises of adults and children services for families facing terminal illness
- Other expenditure represents the costs associated with investment properties

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

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function is apportioned based on staff time attributable to each activity.

Allocation of costs

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

Operating leases

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

Donated Goods

The Trustees consider that the valuation of goods donated for resale at the point of receipt is impractical, due to the high volume of low value items and the administrative costs involved in valuation. Goods donated for resale are therefore recognised in the accounts at the point of sale.

Investments

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

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

Fixed assets

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses. Assets costing more than £500 are capitalised.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows:

| | |
|-----------------------------------|-------------------------------|
| Motor vehicles | 4 years reducing balance |
| Furniture, fittings and equipment | 3, 5 & 10 years straight line |
| Leasehold improvements | life of lease |

1. ACCOUNTING POLICIES (continued)

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.

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

Stock

Stock is valued at the lower of cost or net realisable value.

Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

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

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

Employee benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension scheme

ellenor operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of ellenor in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year.

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. The indicative value of volunteers' contribution is valued as their estimated average time spent helping the charity, at the charity's minimum salary rate.

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.

Estimates and judgements

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. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately differ from those estimates. The Trustees consider the valuation of investment property to be the area of significant judgement.

| 2. DONATIONS AND LEGACIES | Restricted Funds £ | Unrestricted Funds £ | Total 2017 £ | Total 2016 £ | |
|---|----------------------------------|----------------------------------|---------------------------|------------------------|------------------------|
| Donations | 67,589 | 1,706,736 | 1,774,325 | 1,712,686 | |
| Legacies | 25,568 | 1,089,846 | 1,115,414 | 1,176,640 | |
| | <u>93,157</u> | <u>2,796,582</u> | <u>2,889,739</u> | <u>2,889,326</u> | |
| 3. INCOME FROM CHARITABLE ACTIVITIES | Restricted Funds £ | Unrestricted Funds £ | Total 2017 £ | Total 2016 £ | |
| Department of Health | 143,389 | - | 143,389 | 163,539 | |
| Local authority contracts | 349,266 | 1,254,544 | 1,603,810 | 1,369,250 | |
| Other charitable income | 18,750 | 65,962 | 84,712 | 149,391 | |
| Education and training | - | 106,934 | 106,934 | 43,839 | |
| | <u>511,405</u> | <u>1,427,440</u> | <u>1,938,845</u> | <u>1,726,019</u> | |
| 4. ANALYSIS OF GROUP EXPENDITURE | Direct Costs - Staff £ | Direct Costs - Other £ | Support Costs £ | 2017 Total £ | 2016 Total £ |
| Cost of generating voluntary income | 414,321 | 234,204 | 28,519 | 677,044 | 720,985 |
| Fundraising trading: | | | | | |
| Trading company | 527,303 | 584,754 | 89,277 | 1,201,334 | 1,201,118 |
| Lottery company | 33,812 | 200,267 | 6,254 | 240,333 | 212,872 |
| Investment property expenses | - | 6,968 | - | 6,968 | 3,189 |
| Charitable activities: | | | | | |
| Services for adults | 2,764,829 | 113,692 | 635,146 | 3,513,667 | 3,369,296 |
| Services for children and young people | 921,610 | 37,897 | 190,724 | 1,150,231 | 1,123,098 |
| | <u>4,661,875</u> | <u>1,177,782</u> | <u>949,920</u> | <u>6,789,577</u> | <u>6,630,558</u> |

5. ANALYSIS OF SUPPORT COSTS

| | Support Premises £ | Admin £ | Finance and IT £ | Governance £ | 2017 Total £ | 2016 Total £ |
|--|-----------------------------------|--------------------|---------------------------------|-------------------------|-----------------------------|-----------------------------|
| Raising funds: | | | | | | |
| Cost of generating voluntary income | - | 12,635 | 4,641 | 11,243 | 28,519 | 31,289 |
| Fundraising trading: | | | | | | |
| Trading company | - | 68,513 | 17,140 | 3,624 | 89,277 | 102,247 |
| Lottery company | - | 60 | 3,221 | 2,974 | 6,255 | 4,046 |
| Charitable activities: | | | | | | |
| Services for adults | 152,576 | 386,431 | 64,323 | 31,815 | 635,145 | 448,100 |
| Services for children and young people | 50,859 | 107,646 | 21,441 | 10,778 | 190,724 | 149,366 |
| | <u>203,435</u> | <u>575,285</u> | <u>110,766</u> | <u>60,434</u> | <u>949,920</u> | <u>735,048</u> |

Resources include costs of IT and premises.

6. GOVERNANCE COSTS INCLUDE:

| | 2017 £ | 2016 £ |
|------------------------------------|-------------------|-------------------|
| Staff costs | 36,483 | 22,271 |
| Auditor's remuneration: Audit work | 15,500 | 15,027 |
| Professional fees | 8,451 | 11,174 |
| | <u>60,434</u> | <u>48,472</u> |

7. NET INCOME FOR THE YEAR IS STATED AFTER CHARGING:

| | 2017 £ | 2016 £ |
|--|-------------------|-------------------|
| Depreciation of tangible fixed assets: - owned by the charitable group | 244,900 | 236,355 |
| Auditors' remuneration | 9,500 | 9,629 |
| Auditors' remuneration – subsidiaries | 6,000 | 5,398 |
| | <u>259,400</u> | <u>251,382</u> |

No expenses were reimbursed to Trustees in the current year ended March 2017 (2016: £nil).
No Trustee received remuneration in the current or prior year.

8. SUBSIDIARIES

The wholly owned subsidiaries Ellenor Lions Hospices Trading Limited (company number: 05985820) and Ellenor Lions Hospices Lottery Company Limited (company number: 03116416) are incorporated in England. The subsidiaries pay all of its profits to ellenor under the Gift Aid scheme.

The summary financial performance of each subsidiary is:

| | 2017 | 2016 |
|---|---------------|------------------|
| | £ | £ |
| Ellenor Lions Hospices Trading Limited | | |
| Turnover | 1,370,347 | 1,402,322 |
| Cost of sales | (159,711) | (172,384) |
| Gross profit | 1,210,636 | 1,229,938 |
| Administrative expenses | (1,037,557) | (1,020,985) |
| Income from loan waiver | 115,000 | - |
| Operating profit | 288,079 | 208,953 |
| Interest receivable | 61 | 76 |
| Interest payable | (4,066) | (7,749) |
| Gift aid donation to parent | 284,118 | 201,280 |
| | (152,118) | (224,462) |
| | 133,172 | (23,182) |
| Net assets/ (liabilities) | 21,474 | (110,481) |
| Ellenor Lions Hospices Lottery Company Limited | | |
| Turnover | 472,402 | 371,138 |
| Cost of sales | (117,588) | (113,955) |
| Gross profit | 354,814 | 257,183 |
| Administrative expenses | (122,745) | (98,908) |
| Operating profit | 232,069 | 158,275 |
| Interest receivable | 151 | 129 |
| Interest payable | - | (9) |
| Gift aid donation to parent | 232,220 | 158,395 |
| | (232,220) | (158,395) |
| | - | - |
| Net assets | 12,610 | 12,610 |

Note 22 provides further details of the charity's investment in the subsidiary undertakings.

9. STAFF COSTS AND NUMBERS

| Group | 2017 £ | 2016 £ |
|-------------------------------------|-------------------------|-------------------------|
| Staff costs were as follows: | | |
| Salaries and wages | 4,102,124 | 4,132,234 |
| Social security costs | 349,932 | 346,942 |
| Pension contributions | 209,818 | 228,838 |
| Redundancy payments | - | 2,850 |
| | <u>4,661,874</u> | <u>4,710,864</u> |
| Charity total staff costs were | <u>4,100,759</u> | <u>4,150,028</u> |

No bonuses were paid to any staff during the year and no Trustees received remuneration from the charity.

The total employee salary and benefits of the key management personnel of the Group and Charity were £364,231 (2016: £295,743). These salaries include Employers National Insurance Contributions

| The number of employees whose emoluments for the year fell within the following bands were: | 2017 Number | 2016 Number |
|---|------------------------------|------------------------------|
| £60,001-£70,000 | 2 | 1 |
| £70,001-£80,000 | - | 1 |
| £80,001-£90,000 | - | 1 |

The above staff numbers includes a Medical Consultant on the NHS pay scheme. The above salary banding does not include employer national insurance and pension contributions.

These 2 above employees are accruing pension contributions totalling £17,847 (2016: £34,125)

| Group | 2017 Number | 2016 Number |
|---|------------------------------|------------------------------|
| The average number of employees during the year was as follows: | | |
| Charitable activities | 149 | 154 |
| Finance and Admin | 4 | 6 |
| Fundraising | 16 | 18 |
| | <u>169</u> | <u>178</u> |
| The Charity average number of employees | <u>134</u> | <u>142</u> |

10. TANGIBLE FIXED ASSETS

| Group | Freehold Property £ | Long term Leasehold Property £ | Furniture & Equipment £ | Motor Vehicles £ | Total £ |
|-------------------------|---------------------------|---|-------------------------------|------------------------|------------------|
| Cost | | | | | |
| At 1 April 2016 | 956,607 | 3,172,049 | 1,942,257 | 49,881 | 6,120,794 |
| Additions | - | 7,000 | 46,513 | 1,250 | 54,763 |
| Disposals | - | - | - | - | - |
| At 31 March 2017 | 956,607 | 3,179,049 | 1,988,770 | 51,131 | 6,175,557 |
| Depreciation | | | | | |
| At 1 April 2016 | 259,537 | 1,153,971 | 1,371,018 | 46,931 | 2,831,457 |
| Charge for the year | 14,531 | 77,824 | 149,353 | 3,192 | 244,900 |
| Disposals | - | - | - | - | - |
| At 31 March 2017 | 274,068 | 1,231,795 | 1,520,371 | 50,123 | 3,076,357 |
| Net book value | | | | | |
| At 31 March 2017 | 682,539 | 1,947,254 | 468,399 | 1,008 | 3,099,200 |
| At 31 March 2016 | 697,070 | 2,018,078 | 571,239 | 2,950 | 3,289,337 |
| Charity | | | | | |
| Cost | | | | | |
| At 1 April 2016 | 956,607 | 3,160,742 | 1,572,220 | 49,881 | 5,739,450 |
| Additions | - | 7,000 | 39,705 | 1,250 | 47,955 |
| At 31 March 2017 | 956,607 | 3,167,742 | 1,611,925 | 51,131 | 5,787,405 |
| Depreciation | | | | | |
| At 1 April 2016 | 259,537 | 1,145,459 | 1,157,360 | 46,931 | 2,609,287 |
| Charge for the year | 14,531 | 77,539 | 99,978 | 3,192 | 195,240 |
| At 31 March 2017 | 274,068 | 1,222,998 | 1,257,338 | 50,123 | 2,804,527 |
| Net book value | | | | | |
| At 31 March 2017 | 682,539 | 1,944,744 | 354,587 | 1,008 | 2,982,878 |
| At 31 March 2016 | 697,070 | 2,015,283 | 414,860 | 2,950 | 3,130,163 |

11. INVESTMENT PROPERTY

| Group | Freehold Investment Property £ |
|-----------------------------|---|
| Valuation | |
| At 1 April 2016 | 987,500 |
| Revaluations | 100,000 |
| Disposals | - |
| Loss on disposal | - |
| Transfers from fixed assets | - |
| At 31 March 2017 | 1,087,500 |
| Company | £ |
| Cost | |
| At 1 April 2016 | 987,500 |
| Revaluations | 100,000 |
| Disposals | - |
| Loss on disposal | - |
| At 31 March 2017 | 1,087,500 |

The above valuations are based on 2016 and 2017 valuations made by a RICS Registered Valuer. The Trustees consider that the value of investment properties is a fair reflection of their current value on an open market value for existing use basis as at 31st March 2017

| INVESTMENTS: Group | 2017 £ | 2016 £ |
|--------------------------------|-------------------|-------------------|
| Market value at 1 April | 12,640 | 13,397 |
| Revaluations | 1,382 | (757) |
| Redemption of shares | - | - |
| Market value at 31 March | 14,022 | 12,640 |
| Historical cost as at 31 March | 8,106 | 8,106 |

All the above shares are equities listed on the London Stock Exchange

| INVESTMENTS: Charity | Sub total brought forward £ | Shares in Group Undertakings £ | Total £ |
|-----------------------------|--|---|--------------------|
| Market Value | | | |
| At 1 April 2016 | 12,640 | 2 | 12,642 |
| Revaluations | 1,382 | - | 1,382 |
| At 31 March 2017 | 14,022 | 2 | 14,024 |

All the fixed asset investments are held in the UK. The shares in group undertakings are the charity's shares in its wholly owned subsidiaries – Ellenor Lions Hospices Trading Limited and Ellenor Lions Hospices Lottery Company Limited.

| 12. STOCKS | 2017 Group £ | 2017 Charity £ | 2016 Group £ | 2016 Charity £ |
|-------------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Finished goods and goods for resale | 22,660 | - | 27,283 | - |

| 13. DEBTORS | 2017 Group £ | 2017 Charity £ | 2016 Group £ | 2016 Charity £ |
|---|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Amounts falling due after more than one year | | | | |
| Amounts owed by group undertakings | - | 10,000 | - | 125,000 |
| Amounts falling due within one year | | | | |
| Trade debtors | 27,738 | 27,738 | 41,372 | 41,372 |
| Amounts owed by group undertakings | - | 607,408 | - | 544,557 |
| Other debtors | 71,420 | 42,799 | 27,446 | 13,909 |
| Prepayments and accrued income | 452,738 | 377,277 | 423,999 | 328,427 |
| | <u>551,896</u> | <u>1,055,222</u> | <u>492,817</u> | <u>928,265</u> |

The debtor due after more than one year is a loan to Ellenor Lions Hospices Trading Limited. The loan bears interest at 2% above Bank of England base rate. During the year the Trustees of the charity agreed to waiver £115,000 of the £125,000 loan with Ellenor Lions Trading Limited.

| 14. CREDITORS | 2017 Group £ | 2017 Charity £ | 2016 Group £ | 2016 Charity £ |
|--|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Amounts falling due within one year | | | | |
| Bank loan/ overdraft | 11,500 | 11,500 | 11,500 | 11,500 |
| Net obligations under finance leases and hire purchase contracts | - | - | - | - |
| Trade creditors | 139,722 | 124,356 | 249,355 | 190,037 |
| Other taxes and social security | 104,202 | 104,202 | 82,599 | 82,599 |
| Other creditors | 129,780 | 66,829 | 104,185 | 39,729 |
| Accruals and deferred income | 176,531 | 96,027 | 166,995 | 114,032 |
| | <u>561,735</u> | <u>402,914</u> | <u>614,634</u> | <u>437,897</u> |

The bank loan in 2017 of £11,500 is a secured loan on two investment properties. The maximum facility on the loan is £200,000 and is due to be paid back on 31 May 2017.

15. OPERATING LEASE COMMITMENTS

At the year end, the charity was committed to make the following payments in total in respect of operating leases.

| Group | Equipment | | Land and buildings | |
|---|-------------------------|-------------------------|----------------------|--------------------|
| | 2017 £ | 2016 £ | 2017 £ | 2016 £ |
| Leases which expire: | | | | |
| Within one year | 42,748 | 46,413 | 215,657 | 223,324 |
| Within two to five years | 28,916 | 47,296 | 575,049 | 696,789 |
| Greater than 5 years | - | - | 136,333 | 237,000 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Charity | | | | |
| Leases which expire: | | | | |
| Within one year | 35,877 | 33,582 | - | - |
| Within two to five years | 20,577 | 43,761 | - | - |
| Greater than 5 years | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| 16. ANALYSIS OF GROUP NET ASSETS | Restricted Funds | Designated Funds | General Funds | Total Funds |
| | £ | £ | £ | £ |
| Fixed assets | 946,259 | 2,036,619 | 1,217,846 | 4,200,724 |
| Current assets | 810,510 | - | 1,005,964 | 1,816,474 |
| Current liabilities | - | - | (561,737) | (561,737) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net assets at 31 March 2017 | <u>1,756,769</u> | <u>2,036,619</u> | <u>1,662,073</u> | <u>5,455,461</u> |

| 17. ANALYSIS OF FUNDS | Balance 1 April 2016 £ | Income £ | Expenditure £ | Investment £ | Balance 31 March 2017 £ |
|---|---|---------------------|--------------------------|-------------------------|--|
| Unrestricted funds: | | | | | |
| General fund | 1,299,818 | 6,248,213 | (6,094,681) | 183,155 | 1,636,505 |
| Designated fund | 2,118,392 | - | - | (81,773) | 2,036,619 |
| Total unrestricted funds | 3,418,210 | 6,248,213 | (6,094,681) | 101,382 | 3,673,124 |
| Restricted funds: | | | | | |
| Mini bus | 2,652 | - | (224) | - | 2,428 |
| Property extension 2008 | 191,822 | - | (7,095) | - | 184,727 |
| Hospice DTU extension 2010/11 | 421,986 | - | (14,850) | - | 407,136 |
| President Club Minibus | 14,803 | - | (5,181) | - | 9,622 |
| Reclining chairs | 350 | - | (350) | - | - |
| NHS England Grant 2014/15 | 360,535 | - | (37,285) | - | 323,250 |
| <i>Climate control and bathroom refurbishment</i> | | | | | |
| CIN – Music Therapist | - | 6,232 | (6,232) | - | - |
| Restricted Legacy | 860,900 | 25,568 | (50,390) | - | 836,078 |
| NHS England Capital | 19,623 | - | (527) | - | 19,096 |
| Palliative Care Grant 2015 | | | | | |
| NHS England Children’s Hospice Grant 2016/17 | - | 143,389 | (143,389) | - | - |
| Kent Community Foundation & Comic Relief – <i>Counselling</i> | - | 15,000 | (15,000) | - | - |
| Sevenoaks Council – <i>Carers support work</i> | - | 2,000 | (2,000) | - | - |
| NHS West Kent – <i>Children’s Nurse</i> | - | 53,767 | (53,767) | - | - |
| NHS Bexley CCG – <i>Children’s Nurse</i> | - | 54,675 | (54,675) | - | - |
| Various Trust Income | - | 44,357 | (44,357) | - | - |
| Various Charitable Income | - | 259,574 | (259,574) | - | - |
| Total restricted funds | 1,872,671 | 604,562 | (694,896) | - | 1,782,337 |
| Group total | 5,290,881 | 6,852,775 | (6,789,577) | 101,382 | 5,455,461 |

The mini bus fund is restricted to repairs and maintenance of the minibus.

The property extension fund was a capital project relating to the extension of the Northfleet hospice in 2008.

The NHS England Children’s Hospice grant 2016/17 is restricted to paediatric activities.

The Hospice at Northfleet had a further extension which was completed in 2011. The Department of Health funded this capital project.

The trust donated funds towards the purchase of an IT server.

Children in Need (CIN) – Music Therapist represents funds received from Children in Need for the employment of a Music Therapist and their associated costs.

NHS England Capital Palliative Care grant is mainly restricted to IT equipment.

The designated fund represents the net book value of tangible fixed assets excluding those already accounted for in restricted funds.

The legacy is restricted to capital property development

Kent Community Foundation & Comic Relief represents funds towards our counselling service.

| 17. COMPARABLE ANALYSIS OF FUNDS (2016) | Balance 1 April 2016 £ | Income £ | Expenditure £ | Investment £ | Balance 31 March 2017 £ |
|--|---|---------------------|--------------------------|-------------------------|--|
| Unrestricted funds: | | | | | |
| General fund | 1,325,827 | 5,973,734 | (6,098,345) | 98,602 | 1,299,818 |
| Designated fund | 2,217,751 | - | - | (99,359) | 2,118,392 |
| Total unrestricted funds | 3,543,578 | 5,973,734 | (6,098,345) | (757) | 3,418,210 |
| Restricted funds: | | | | | |
| Mini bus | 2,876 | - | (224) | - | 2,652 |
| Property extension 2008 | 198,917 | - | (7,095) | - | 191,822 |
| Hospice DTU extension 2010/11 | 436,836 | - | (14,850) | - | 421,986 |
| President Club Minibus | 19,984 | - | (5,181) | - | 14,803 |
| Heart FM Mini (Together for Short Lives) | 1,812 | - | (1,812) | - | - |
| Reclining chairs | 950 | - | (600) | - | 350 |
| Trust IT Servers | 5,000 | - | (5,000) | - | - |
| NHS England Grant 2014/15 | 397,820 | - | (37,285) | - | 360,535 |
| <i>Climate control and bathroom refurbishment</i> | | | | | |
| CIN – Music Therapist | - | 12,463 | (12,463) | - | - |
| Restricted Legacy | 880,000 | - | (19,100) | - | 860,900 |
| NHS England Capital Palliative Care Grant 2015 | - | 20,150 | (527) | - | 19,623 |
| NHS England Children’s Hospice Grant 2015/16 | - | 143,389 | (143,389) | - | - |
| Kent Community Foundation & Comic Relief – Counselling | - | 15,000 | (15,000) | - | - |
| Various Trust Income | - | 84,299 | (84,299) | - | - |
| Various Charitable Income | - | 185,388 | (185,388) | - | - |
| Total restricted funds | 1,944,195 | 460,689 | (532,213) | - | 1,872,671 |
| Group total | 5,487,773 | 6,434,423 | (6,630,558) | (757) | 5,290,881 |

18. PENSION COMMITMENTS

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £209,818 (2016: £228,838).

19. TAXATION

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purpose. The charity is not exempt from VAT which is included with the expenses to which it relates on the Statement of Financial Activities.

20. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2017 Group £ | 2017 Charity £ | 2016 Group £ | 2016 Charity £ |
|---|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| Net income/(expenditure)for the year | 164,580 | 32,622 | (196,892) | (173,708) |
| Add back depreciation charge | 244,900 | 195,240 | 236,355 | 191,406 |
| (Gain)/ loss on investments | (101,382) | (101,382) | 757 | 757 |
| Decrease (increase) in stocks | 4,623 | - | 630 | - |
| Decrease (increase) in debtors | (59,079) | (11,957) | 224,640 | 287,561 |
| Increase (decrease) in creditors | (52,895) | (34,983) | 70,807 | 24,417 |
| | <u>200,747</u> | <u>79,540</u> | <u>336,297</u> | <u>330,433</u> |

21. CONTROLLING PARTY

The EllenorLions Hospices is controlled by its Board of Trustees.

22. PRINCIPAL SUBSIDIARIES

| Company Name | Country | Percentage Shareholding | Description |
|--|----------------|------------------------------------|--------------------------|
| Ellenor Lions Hospices Lottery Company Limited | England | 100 | Operates charity lottery |
| Ellenor Lions Hospices Trading Limited | England | 100 | Operates charity shops |

23. RELATED PARTY TRANSACTIONS

In 2017 the following transactions took place between the Charity and its wholly owned subsidiaries Ellenor Lions Hospices Trading Limited and Ellenor Lions Lottery Company:

Intercompany operating transaction balances of £374,442 and £242,965 respectively.

There were no other outstanding balances with related parties as at 31 March 2017 (2016: £nil). The Trustees support the charity throughout the year and are regularly involved in fundraising and events. It is not possible for the charity to quantify the aggregate donations and fundraising by Trustees in the year.

24. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (2016):

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2016 £ |
|---|-------|----------------------------|--------------------------|--------------------|
| INCOME FROM: | | | | |
| Donations and legacies | 2 | 2,777,564 | 111,762 | 2,889,326 |
| Charitable activities <i>Services for families facing terminal illness</i> | 3 | 1,377,092 | 348,927 | 1,726,019 |
| Other trading activities Charity retail shops and lottery | | 1,773,459 | - | 1,773,459 |
| Investments | | 24,172 | - | 24,172 |
| Other | | 21,447 | - | 21,447 |
| Total income | | <u>5,973,734</u> | <u>460,689</u> | <u>6,434,423</u> |
| EXPENDITURE ON: | | | | |
| Raising funds <i>Fundraising and trading activities</i> | 4 | 2,134,975 | - | 2,134,975 |
| Charitable activities <i>Services for families facing terminal illness</i> | 4 | 3,960,181 | 532,213 | 4,492,394 |
| Other | 4 | 3,189 | - | 3,189 |
| Total expenditure | | <u>6,098,345</u> | <u>532,213</u> | <u>6,630,558</u> |
| Net gains/(losses) on Investments | | (757) | - | (757) |
| Net income/(expenditure) | | <u>(125,368)</u> | <u>(71,524)</u> | <u>(196,892)</u> |
| Transfers between funds | 7 | - | - | - |
| Other recognised gains/(losses) | | - | - | - |
| Net movement in funds | | <u>(125,368)</u> | <u>(71,524)</u> | <u>(196,892)</u> |
| Funds brought forward | | <u>3,543,578</u> | <u>1,944,195</u> | <u>5,487,773</u> |
| Funds at 31 March 2016 | | <u>3,418,210</u> | <u>1,872,671</u> | <u>5,290,881</u> |

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ellenor is the operating name of Ellenor Lions Hospices a charity registered in England and Wales (1121561), and a company limited by guarantee (6302132). Registered office at Coldharbour Road, Gravesend, Kent. DA11 7HQ