

**ellenor**

Operating name of

**ELLENOR LIONS HOSPICES**  
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**Registered Company Number: 06302132**  
**Registered Charity Number: 1121561**

**ELLENOR LIONS HOSPICES**  
**(A company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015**

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**ELLENOR LIONS HOSPICES**  
(A company limited by guarantee)

**LEGAL AND ADMINISTRATIVE INFORMATION**

**FOR THE YEAR ENDED 31 MARCH 2015**

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<b>Charity Name</b>	Ellenor Lions Hospices
<b>Status</b>	Ellenor Lions Hospices is a charitable company limited by guarantee Its governing document is a Memorandum and Articles of Association dated 4 <sup>th</sup> July 2007
<b>Incorporation and History</b>	Ellenor Lions Hospices was incorporated on 4 <sup>th</sup> July 2007 and commenced operation on the 1 <sup>st</sup> November 2007 following the merger of the activities of the Ellenor Foundation and the Lions Hospice.
<b>Operating or working name</b>	From the 7 <sup>th</sup> April 2015 Ellenor Lions Hospices changed its operating name to <b>ellenor</b> . The registered name remains as Ellenor Lions Hospices.
<b>Charity Registration Number</b>	1121561
<b>Company Registered Number</b>	06302132
<b>Principal Office and Registered Address</b>	Coldharbour Road, Northfleet, Gravesend, Kent, DA11 7HQ
<b>Website</b>	<a href="http://www.ellenor.org">www.ellenor.org</a>
<b>Subsidiaries</b>	<p>Ellenor Lions Hospices Group has two subsidiaries; Ellenor Lions Hospices Trading Limited, Registered number 05985820 and 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>
<b>Trustees serving during the year:</b>	Maurice Tutty (Chair) Val Elms Barry Palmer John Pooley (Died September 2014) David Rolls Mary Saunders Dinah Williams Mark Lumsdon-Taylor Jo Chettleburgh (Resigned July 2014) Chris Tait Bibi Tabisim Katie Broadfield Bryan Harris (Appointed March 2015) Nancy Cogswell (Appointed March 2015)

**ELLENOR LIONS HOSPICES**  
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**LEGAL AND ADMINISTRATIVE INFORMATION (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

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**Trustees appointed during the year and since year end are:**

Nancy Cogswell (30<sup>th</sup> March 2015), Bryan Harris (30<sup>th</sup> March 2015) and Catherine Rossiter (1<sup>st</sup> June 2015)

**Trustees retired and resigned during the year and since year end are as follows:**

Jo Chettleburgh (resigned 3<sup>rd</sup> July 2014) , John Pooley (died 19<sup>th</sup> September 2014)

Resigned and re-elected at AGM on 8<sup>th</sup> September 2014; Mo Tutty, Chris Tait, Dinah Williams and Mary Saunders

**Senior Management**

**Chief Executive:**

Claire Cardy

**Director of Patient Care:**

Jacquie Hackett

**Director of Fundraising:**

Rachel Holweger

**Director of Finance & Resources:** Tim Hammond (Company Secretary)

**External Auditors**

haysmacintyre, 26 Red Lion Square, London WC1R 4AG

**Bankers**

Barclays Bank PLC, PO BOX 427, Maidstone, Kent,  
ME14 1TW

**Solicitors**

Martin Tolhurst, 7 Wrotham Road, Gravesend, Kent ,  
DA11 0PD

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2015

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### CHAIR'S INTRODUCTION

2014-15 was another challenging but ultimately successful year for **ellenor**. We are now in the third year of our strategic plan (2013-18) in which we aim to widen access to our services to all those families across our community that are dealing with life limiting illnesses. We strive to provide the best possible care and to help our patients and their families to enjoy the best quality of life they can.

We continue to see growth in demand for our services and are faced with the ongoing challenge of raising enough money to deliver the services to our local community. We are proud to have delivered such fantastic care this year, including:

- An overall increase of 10% of accepted referrals from last year.
- Increased referrals from care homes, and fewer than 3% of care home patients known to **ellenor** die in hospital.
- Over 6,500 hours of respite care for children was provided.

A primary objective is to ensure patients receive care at the place of their choosing. We are pleased to be able to report that our patients are 5 times less likely to die in hospital than the England average. Our interventions with patients help to avoid hospital visits and admissions. This is hugely beneficial to our patients but also contributes to substantial cost savings for NHS services. In addition,

- 82% of our patients achieved their preferred place of care.
- Over 90% of our care is provided in the home.
- There was a 26% increase in referrals to our adult hospice at home team over last year.

We expect this general growth in demand to continue year on year. As a result, we have to fund and organise ourselves to cope with this increasing need and to ensure the quality of our services is maintained.

We have improved access to our services by simplifying and streamlining our referral processes, introducing a triage facility and having better links to related services such as GPs and primary care teams. This means more people are now receiving our services that previously might have missed out.

We have improved our existing services and developed new offerings to provide a wider range of patient care. New services include support for carers, more outpatient services, breathlessness group, and training volunteers to increase our patient-facing support.

During the year, we have sought to improve our internal capabilities and infrastructure. We have strategically invested in training and education to help develop our staff and to grow expertise which is recognised (accredited) and specialised in end of life care. We plan to continue developing our capabilities so that we continue to provide excellent care and leadership across our areas of speciality.

Our staff and volunteer workforce remains our largest asset. As a result, we continue to pursue improvements to our HR management, processes and tools.

We have strengthened our Management both at Executive and at Board level. We have recruited Jacquie Hackett onto the Executive team as Director of Care and we have appointed 3 new Trustees to complement the skills already on the Board. The Board and Executive team continue to work well together to deliver our vision. Our sub-committee governance structure is well established but we have reviewed and improved this to ensure management attention is focused where needed and to streamline reporting across the organisation.

Financial performance remains a challenge. We have completed a rebranding exercise to help improve the clarity around our services and to provide marketing and communications collateral to assist our fundraising activities. However, we are operating in extremely competitive and difficult conditions. There is continued uncertainty around our statutory funding and huge competition from other charities. We continue to deliver all of our services as cost effectively as we can but the continual growth in demand for our services coupled with erosion of our income streams through government cutbacks, 'charity fatigue' and increased competition means it is a constant battle to maintain funding at the required level.

There is no doubt that we have a world class hospice service delivering fantastic care to those in our community that need it.

**ELLENOR LIONS HOSPICES**  
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**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2015**

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**CHAIR'S INTRODUCTION (continued)**

Our patients and their families continually provide testament to this. We provide essential and highly valued services for our local community. We are dependent on the community providing financial support to help us sustain the delivery of these services and to help protect the legacy of this superb care for future generations. The Board will continue to provide support to the Executive team to help develop our income streams and improve our financial performance in line with our strategic business plan.

The year was overshadowed by the very sad death of John Pooley who was an active Board member. John's passing was a big loss and he remains sadly missed by us all.

I would like to thank everyone for their contribution to **ellenor's** continued success throughout the year. All our staff who provide dedicated and caring service, our wonderful army of volunteers who are so supportive and helpful, and our supporters who provide essential assistance in so many different ways. Last, but not least, I thank my fellow Board members for all their hard work and commitment as Trustees of this charity.

**ellenor** is a community service that I feel the entire community should feel proud of. With everyone's continued effort and help, I am sure that **ellenor** is well placed to continue to deliver outstanding care beyond its 30<sup>th</sup> anniversary year in 2015.

Maurice Tutty  
Chair of Trustees

**OBJECTIVES, ACTIVITIES AND PUBLIC BENEFITS**

**Objectives**

During the year **ellenor's** mission and main objective continued to be leading and coordinating 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.

Underpinning this mission are our vision and core values:



To enable this main purpose to be achieved **ellenor** has developed the following overarching strategic aims:

1. 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.
2. 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.
3. To raise and develop our funding and resources to ensure delivery of care and support is maintained and sustainable.

During the year ended 31<sup>st</sup> March 2015, our main priority was to implement activities to further develop our care strategy, to be able to help more people at the end of life, keeping patient and family care at the centre of everything we do. The other main focus was investing in our resources and infrastructure to enable us to support and sustain our delivery of care. This included the rebranding of the charity which resulted in the new operating name **ellenor** and a refreshed vision and mission.

Our strategy is to continue to find ways to innovate in order to reach more people who would benefit from our support, by widening access to our care and offering different types of services, in partnership with others. We recognise the value of collaboration and integrated working with other service providers.

We believe **ellenor** has the expertise and ethos to coordinate palliative and end of life care in our community. As the lead provider we play a key role in sharing our expertise and educating others to ensure the highest standards of end of life care for as many people as possible.

The following Achievements and Performance, Financial Review, Plans for the Future and Risk Management sections are the **ellenor** Strategic Report for the year ended 31<sup>st</sup> March 2015:

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

OBJECTIVES, ACTIVITIES AND PUBLIC BENEFITS (continued)

HOW DID WE DO?

We are into the third year of our 5 year strategic plan for 2013 to 2018; this plan is aligned to our vision that all families facing terminal illness should receive the best quality, personalised care and support.

In developing the 2013-18 strategic plan for the organisation, particular attention was paid to the rapidly changing health and social care environment, and the ageing population. The Board and the Executive Team looked at how we could extend our services to meet the growing needs of the local population, enabling more people to receive care in the place of their choice.

Our care strategy has been developed further, and some key objectives have been set in order to achieve the overall aim to reach more people who need our care. These relate directly to the priorities we have set, following consultation with a range of stakeholders including patients, relatives, staff, volunteers and external colleagues.

The key priorities for the year 2014-15 were as follows:

**Review referral criteria and process to provide a more responsive service to a wider population of patients**

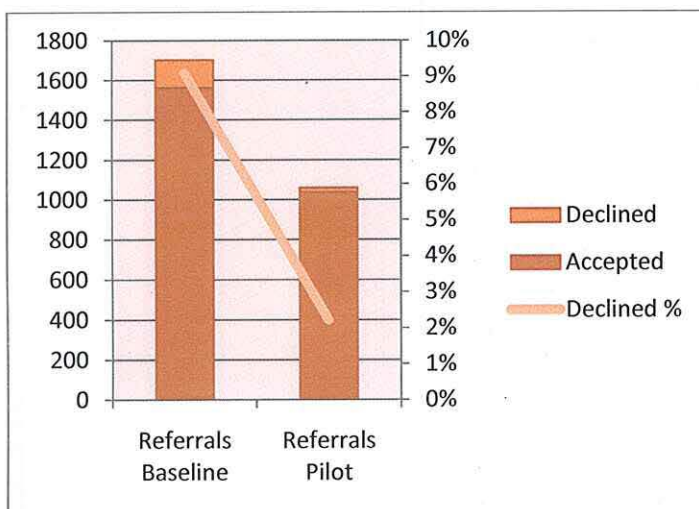
**What did we say we would do?**

We said we would aim to implement a single point of referral into the organisation. A small working group would identify the essential information required for a referral and adapt the criteria in order to improve accessibility to more patients, especially those with less specialist needs, through a simplified process.

We said we would also introduce a more comprehensive advice line and an enhanced educational offer to healthcare professionals.

**What impact did we make?**

We reviewed our referral information and are in the process of adapting the criteria for referrals. To simplify and improve the process, we piloted a Triage model during the latter part of the year which was successfully evaluated and subsequently implemented.



The evaluation results showed a 75% reduction in the number of referrals being declined, indicating that we are providing support to a growing number of patients, in a more responsive way.

As part of the Triage evaluation, we surveyed our referring colleagues to create an improved service that worked more effectively for them. As a result, we successfully implemented a dedicated referral telephone line available at more appropriate hours. We now operate regular outpatient clinics and the Triage Nurse sees new patients promptly in order to assess their needs at referral.

Feedback from Health Care Professionals using the new system showed that 100% described it as 'very' or 'extremely effective'.



**OBJECTIVES, ACTIVITIES AND PUBLIC BENEFITS (continued)**

**Develop and introduce 'hospice as a hub' model**

**What did we say we would do?**

As part of our role as lead provider of end of life care we strive to innovate wherever possible. The organisation is committed to provide a co-ordinated approach of assessment and care and we recognised the need to improve our accessibility and service provision in order to provide more flexible services to a wider population. We said we would do this by offering patients at the end of life with less complex needs improved access to a full range of our holistic care services.

**What impact did we make?**

A small working group developed various service offers, and teams have been looking at ways they can enhance their current services. We are looking into the feasibility of changing the operating times and varying the structure of our day therapy/ outpatient services to be more flexible and responsive.

We have implemented 'Carers Cuppa' (a drop-in support session for anyone caring for those with a life limiting illness) and this has proved popular and been well-evaluated by attendees. We have varied the times of the sessions to meet differing needs. 15% of the attendees to the sessions held so far are new to the organisation.

We have developed a training programme for volunteers in patient-facing roles, to provide the skills and knowledge to deliver appropriate care and support to families. Our physiotherapist has developed breathlessness clinics and seated exercise classes to commence from April 2015, and has a new dedicated gym in which to see patients for holistic assessments and treatments.

As part of a commitment to partnership working, we have assigned nurses to integrated primary care teams to support developing the skills of our colleagues in the wider health economy. We are looking at developing joint clinics in 2015-16, and continue to work collaboratively with colleagues such as carers' organisations and the local Alzheimer's charity.

**Developing funding and resources to enable the core business of care and support to be sustained**

**What did we say we would do?**

We said we would continue to ensure that we maximise our net income from our fundraising, trading and investment activities. We would continue to monitor progress against the fundraising strategy to develop and improve net returns to help us meet our 5 year financial plan. This includes further developing the potential of our events programme, lottery campaign and major donations.

We said we would respond to feedback from our current and potential supporters that they found our brand confusing. We said we would review our brand to ensure that our identity is simple and clear to potential supporters, so they understand who we are and what we do. This brand work will help us improve the awareness of our services and the requirement of more voluntary income to sustain and develop our care, to help more patients and their families.

**What impact did we make?**

In comparison with the previous year the income we received from our charitable activities decreased from £2.3m to £1.7m, a drop of 25%. In an already competitive environment this meant we continued to rely on the generosity of our local community, through our fundraising and trading activities, to sustain and develop our services. In the year ended March 2015 72% (2014: 68%) of our total income was generated from voluntary, trading and investment activities. Despite operating in a challenging economic environment where the impact from austerity measures continues, our fundraising activities did well to maintain voluntary income levels similar to the previous year, with a slight decline of 1.4%. We developed our events programme to successfully engage more participation and support. This resulted in our events

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**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

**OBJECTIVES, ACTIVITIES AND PUBLIC BENEFITS (continued)**

generating an extra 78% more income than the previous year. We continued to improve the efficiency of our lottery campaign which, despite less income than in the previous year, resulted in an improvement of operating profit. For every £1 invested in our lottery in 2015 £2.47 (2014: £2.17) in income was raised towards our care services. We were encouraged that our Trading activities slightly increased their gross profit over the previous year by 1%. During the year we invested in some shop refurbishments, Electronic Point of Sale (EPOS) equipment and resources to sustain and increase future net growth in our trading activities. This increased expenditure had an impact on the Trading net results achieved in 2015. Over the next few years we are targeting this investment to produce improved net results. We will continue to monitor trading and fundraising performance to ensure we are achieving the returns on investment in line with our financial strategy, taking corrective action where necessary.



During the year we undertook a project to rebrand the charity with the aim of creating one unified identity to give a clearer message about who we are and what we do. The objective was to create a new look and feel to enable us to increase our profile and impact, to raise more money, in order to provide more care to more families. Having one consistent brand and name will also help us to save money, by reducing costs in a number of areas, such as websites and printing. The new brand was launched in April 2015, and has proved to be very successful so far. This launch included changing our operating name from EllenorLions to **ellenor.** Our registered name remains the same as does our vision, services and activities. The new unified website has improved interactivity to enable online donations, lottery sign-up and a remembrance book in memory of loved ones who have died. Our social media accounts have also been amalgamated, and our new printed materials are consistent, coordinated and in line with our brand guidelines. New signage and fascias have been installed at our sites and all our shops, along with improved posters and information. A comprehensive communications plan was implemented, including staff, volunteers, patients, supporters, press and other key stakeholders. Feedback has been overwhelmingly positive, and there has been good coverage in local press.

**Improving our HR processes**

**What did we say we would do?**

We said we would improve the way we manage our workforce, both staff and volunteers. As our biggest asset and resource, it is vital that we have a motivated, engaged and effective workforce to help us deliver our strategic objectives. As such we reviewed our HR provision and identified the need for a senior role to take the lead for the organisation. We said we would review the pay scale and implement a fairer, more transparent system for all.

**OBJECTIVES, ACTIVITIES AND PUBLIC BENEFITS (continued)**

**What impact did we make?**

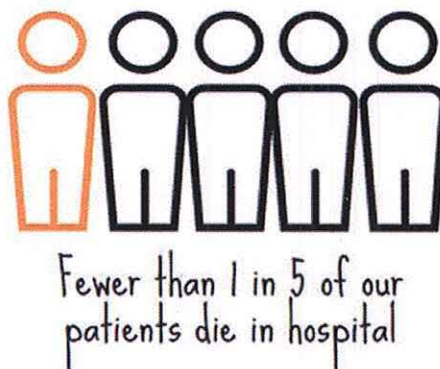
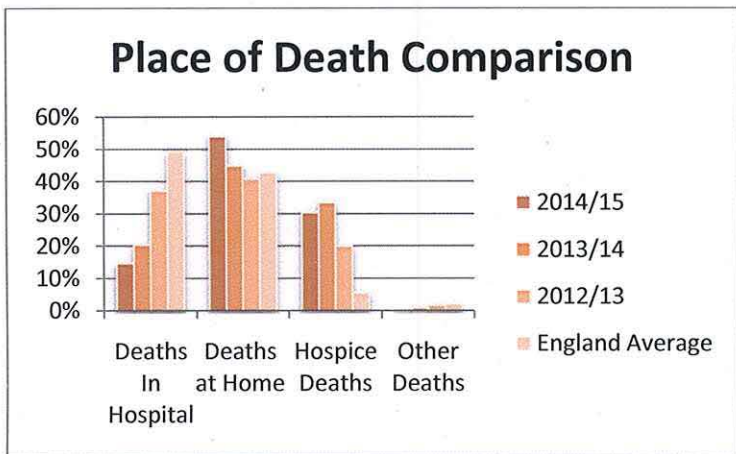
We undertook a comprehensive review of the salaries and devised a single continuous pay scale with a clearer structure. All staff were mapped onto the new scale with effect from October 2014, and the starting point was the Living Wage. All staff received a pay rise as part of the new scheme and it improved equity for posts within departments. We also made the annual leave entitlement fairer by adding an extra day's leave to some roles to bring them up to the same level as others. We implemented a new HR database, which will improve the way we manage various HR processes. This is due to be rolled out during 2015, with a comprehensive training package. We are continuing to review how we manage HR at a senior level and to develop an HR strategy.

**OTHER ACHIEVEMENTS AND KEY IMPACTS**

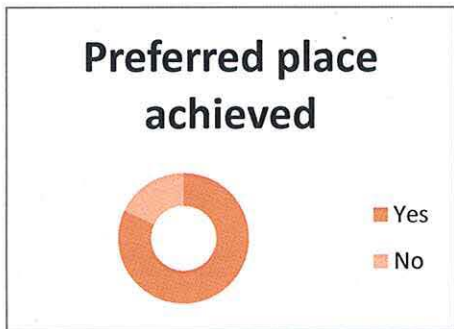
We have improved our delivery of total hospice care at home and in our hospice unit in Gravesend. The following lists some of the achievements during the year:

**Our patients are able to die in a manner and place of their choosing, reducing unnecessary hospital admissions**

Patients supported by **ellenor** are much more likely to die in their own home or hospice, and nearly five times less likely to die in hospital than the England average. There has been a year on year reduction for deaths in hospital.



82% patients under our care achieved their preferred place of death.

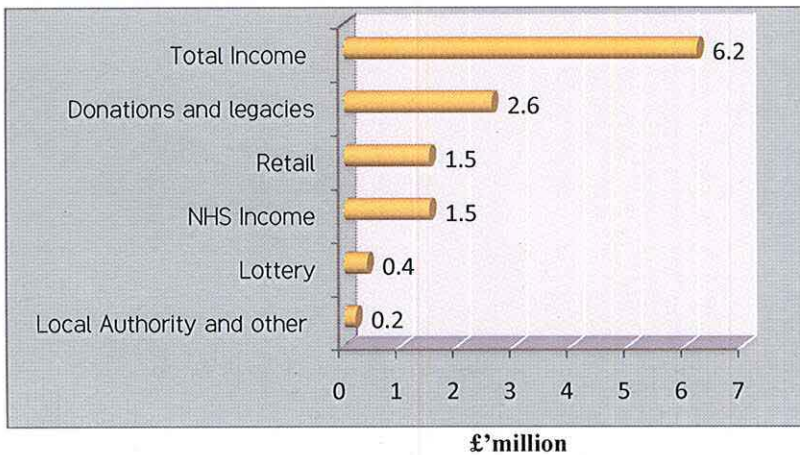


**FINANCIAL SUMMARY**

Demand for our services continues to grow and during the year we have continued to invest in developing our services, income generating activities, facilities and IT infrastructure to meet our commitments to improve our care and meet demand. **ellenor** cares for families and is free at the point of use for our community.

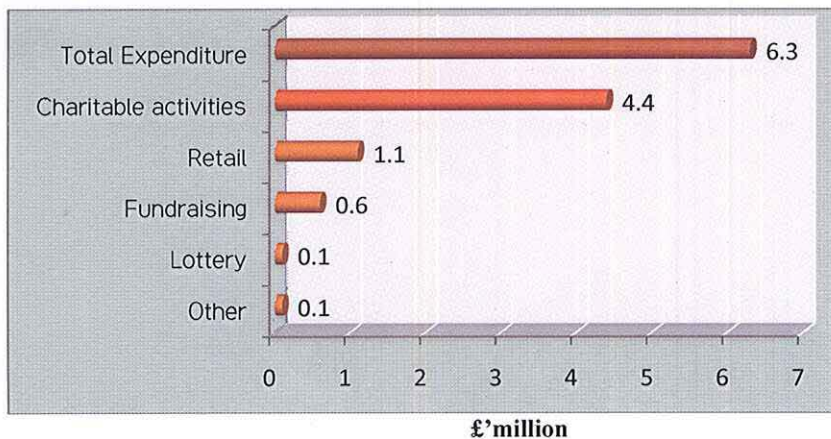
We believe it is important to show our supporters where the money they helped us to raise was spent to enable us to continue our care. The following is a brief summary of how we raised income and where that income was spent. More financial detail is provided from page 18 to 36.

**Where our income came from?**




73% of the income we raised during the year came from the generosity and kind support of our local community, companies and community groups. The total income of £6.2m was less than the previous year by £0.9m. This was mainly due to a reduction in income from charitable activities of £0.6m. The reduction in our charitable activity funding, coupled with inflationary expenditure in some areas of our charitable spending, emphasised the continued importance and reliance on the generosity of our local people to sustain and develop our care.

**Where our expenditure was spent?**



Despite decline in income of just under £1m over the previous year we carefully managed our expenditure during the year to ensure we spent slightly more on our care services for families facing terminal illness. Overall we spent slightly more expenditure than income raised, resulting in a small operating loss. However we planned a small deficit as we had targeted investment expenditure to be spent on the capital items modernising and refurbishing our care facilities, IT systems and shops. Excluding our retail activities, 93p of every £1 raised during the year went towards our direct care work.

In 2015 for every  1 spent on our fundraising activities = 4.43 was given back to the charity

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

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THANK YOU

Thank you to all our supporters whose generosity helped us to raise this income during the year which meant we were able to continue to develop and improve our care services during the year.

Below are a few of the huge number of "thank yous" we have received from the families we have supported.

For the excellent care given, I thank you. For keeping his dignity, I thank you. For your sensitivity, I thank you. For your consideration to this family, we thank you. For your offer of continuing support to us, our thanks.

I wanted to say a huge thank you first for your excellent care of my dad when he was with you... You were so very kind and caring with him, allowing him to die with dignity and in comfort. As his closest family, you were all again so kind and caring with us, making sure we were ok when we were upset, listening to us and importantly leaving us alone to spend Dad's closing hours together as a family. This is my first experience of a hospice, though I have worked in hospitals in the UK and Australia for over 30 years and I cannot express adequately how much admiration and respect I have for you all and the institution. Thank you so much.

I will never be able to truly express my gratitude to each and every one of you for helping me and my family during these past few weeks and helping us to allow him to pass away as peacefully as he did. For everyone who came to my home on many occasions and were so kind as well as honest and realistic, to all the lovely volunteers to all the nurses... You all do the most amazing job and I could not have coped without you. "Without you we would have been lost"

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**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

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**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.

The consolidated net cash of the group decreased from £1,432,091 to £828,731 during the year. The previous year's bank loan of £195,868 was paid back on 1<sup>st</sup> August 2014. During the year £253,008 was spent on capital investment in essential replacement and modernisation of our care services fixtures and equipment, IT hardware and software and shop refurbishments. The net funds include restricted capital legacies of £500,000. A further £380,000 of capital legacies was accrued at year end of which £300,000 cash was received in April 2015 (post year end). Although this money has yet to be spent, a Property Committee has been set up to establish priority capital investments projects that would be the most beneficial to improving our hospice infrastructure and services. As well as ensuring good governance is maintained around the spending of restricted capital income such as this.

Additional to these cash reserves, the charity owns three freehold investment properties valued at £987,500 as at 31<sup>st</sup> March 2015. The charity's investment properties were professionally valued in accordance with current RCIS valuations standards. This resulted in an unrealised gain on revaluation on these properties of £402,500.

At the end of this year our available general funds totalled £1,356,127 which represents less than four months of charitable activity annual expenditure. This includes the £987,500 valuation on our investment properties. Whilst we are on target for our financial strategy to have a long-term sustainable working capital, increasing our free reserves to 6 months to cover charitable operating costs remains a key strategic objective for the charity over the next 3 years. Therefore we need to continue to raise awareness of the support needed from our local community to acquire funds to maintain our running costs and meet the increasing demands for our services. The continued investment in our Fundraising and Trading activities, as well as improvements to our brand, will support this financial objective.

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**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

ellenor is governed by its Memorandum and Articles of Association under the stewardship of a maximum of 14 Trustees. Trustees are appointed by the members of the company and annually one-third of Trustees retire by rotation and may offer themselves for re-election in accordance with the Articles of Association.

The Board of Trustees meet on a quarterly basis to set and review the strategy of the charity. The Chief Executive is appointed by the Board and is responsible for the day to day management of the charity with the support of the Executive Management Team. To facilitate effective operations, the Chief Executive has delegated authority for operational matters.

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. Sub-committees with Trustee representation are well established in order to monitor and review services.

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
- Pay and Conditions of Service Committee
- Property Committee (post year end)

The Pay and Conditions of Service Committee meets annually. This Committee reviews the organisation's staff terms and conditions to help ensure equity and best practice, making recommendations to the Board where necessary.

All the other sub-committees meet on a quarterly basis and present reports to the full Board. With notice, any of the Trustees can call a meeting of Trustees.

**PRINCIPLE RISKS AND UNCERTAINTIES**

**Risk management**

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 sub-committee 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.

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

- **Risk** - Cash flow sensitivity and reserves policy which could impact on our lack of liquidity, our inability to meet commitments and therefore impact on operational activity.  
**Existing controls** - The Trustees approved a 5 year financial strategy to provide investment in key areas of Fundraising and Trading activities with an objective to further improve reserves and ongoing working capital commitments. The cash flows of the charity are monitored and forecasted on a weekly basis and expenditure is

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

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PRINCIPLE RISKS AND UNCERTAINTIES

Risk management (continued)

planned accordingly through good stewardship. At the yearend general funds represented 4 months charitable expenditure cover. Post year end a working capital loan required to invest in various fundraising initiatives has been secured against some of our investment properties.

- **Risk** – Fundraising is not achieving its financial targets due to economic decline in the local catchment area resulting in less funds being available to sustain services.

**Existing controls** – During the year fundraising has invested and developed a diverse range of income streams to spread risk. Improvements and investment have been made to our events programme, promotional material and internet to raise awareness of key fundraising activities. This has resulted in increased supporter participation and improved returns on investment. During the year work was carried out with marketing and design experts to create a new brand and look for charity. The objective is to have a new look and feel which will enable us to increase our profile and impact, to raise more money for fundraising. **ellenor** is actively seeking more Trustees and ex-officios with fundraising expertise to further improve the governance of this committee.

- **Risk** – Inappropriate or loss making retail activities that result in resources being diverted from profitable fundraising or core activity.

**Existing controls** – During the year investment has been made in shops to continue a program of modernisation to support improved financial performance and ensure our portfolio remain competitive. These included refurbishment of three stores, the acquiring of one new store and the installation of Electronic Point of Sale equipment ( EPOS) in all our stores. Each quarter Retail's income streams and returns on investments are rigorously appraised through a Trustee led sub-Committee and by the Executive team on a monthly basis.

- **Risk** – IT hardware or software obsolescence impacts on service performance, availability, external regulatory compliance and ability to run third party applications.

**Existing controls** – During 2015 there was continued investment in IT, as part of an overarching strategy, to ensure we future proof our IT infrastructure, to deliver improved performance, capacity, stability and scalability.

Internal Audit

The Board of Trustees regularly review the quality of service provision to patients and their families. One of the Trustees undertakes an annual audit visit. During visits, the Trustee inspects different parts of the organisation and seeks views of patients and staff. At the last visit, carried out in May 2015, the Trustee found that patient care remained the main priority. Staff reported that communication was generally good. There were concerns expressed, particularly in one department, that staff shortages and staff sickness could adversely affect performance. Since this visit, vacancies have been filled and the sickness absence resolved.

Patient and family experience is important to us and every comment received, however informal, is followed up. We strive to do the very best we can and are grateful to those who help us identify areas where our care can be improved. We participate in the national hospice patient survey, as well as our own internal surveys, and we have a suggestion box for comments at the hospice. We work on a no blame culture and encourage staff to feel able to identify situations they are finding difficult. The charity encourages a culture of openness without fear or favour. There is a mechanism to enable staff to raise concerns outside of the line management structure.

One of the Trustee-led sub-committees oversees Clinical Governance and monitors and reviews all patient related incidents, complaints and other concerns to ensure quality and safety of care. The Committee reports regularly to the Board. The Board is confident that the treatment and care provided by the Hospice is of high quality and cost effective.



## **FUTURE PLANS**

We are part way through our current strategy, which runs from 2013 to 2018, and our key aims are to look at how we can extend our services to meet the growing needs of the local population, enabling more people to receive care in the place of their choice. We are the Lead Provider for end of life care in our locality and as such, play a key role in sharing our expertise with other health and social care professionals and influencing the development of local strategy to improve the care of everyone at the end of life.

The following top three quality improvement priorities for 2015/16 relate directly to our strategy and strategic objectives.

### **Reach more people in our area**

We need to continue to broaden our reach to ensure our expert care is provided for anyone who needs it, in the place of their choice, when they need it, to ensure they are able to achieve their preferences of care

#### **We will...**

Through our re-branding and clearer message, we will minimise confusion of the services and areas we cover.

Our new 'one point of referral' triage service, which was piloted last year and implemented from early 2015, will also assist in a reduction of our declined referrals. We are designing a number of services to meet the needs of patients with different conditions as well as targeting GPs to increase referrals, following a pilot project. We aim to work with GP practices who do not make many referrals, to help them identify appropriate patients for our support. We continue to operate an out of hours advice line and this remains part of our priority in reaching more people.

### **Develop and deliver an accredited training model**

As the Lead Provider for End of Life Care in our area, we aim to share our expertise with other health and social care providers to improve the quality of care for everyone.

#### **We will...**

We will work with an external provider and consortium of hospice education providers to develop an education programme with accredited modules at appropriate levels. We have taken steps to meet the criteria for our courses to become accredited for health and social care staff.

### **Improve our children's hospice care respite provision**

We need to ensure equitable access to our respite provision across each of our areas with a clear concise framework of our offer.

#### **We will...**

We will review and clarify our respite referral and discharge criteria and processes, in order to be clearer about what level of service can be offered to which children and families. Respite provision will be tailored to the need and dependency. We will ensure that every child is assessed against the criteria fairly to enable greater equity of service based on need. We will also implement an assessment tool.

### **Review our facilities to ensure we meet the future needs**

We need to review our properties and facilities to ensure they meet the needs of our patients and families and the staff and volunteers who work for us.

#### **We will...**

We will set up a sub-committee of the Board to review our property and establish how it will need to develop them to meet our future needs. All opportunities for appropriate development will be explored to maximise the use of available space and ensure that the environment provided is of the highest standard to deliver a best quality service.

**ELLENOR LIONS HOSPICES**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

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**STATEMENT OF TRUSTEE RESPONSIBILITIES**

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

Company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

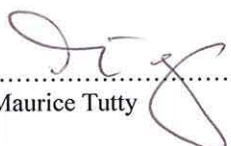
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the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

**PROVISION OF INFORMATION TO AUDITORS**

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

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

In approving this Trustees' Report, the Board also approve the Strategic Report included here in their capacity as company directors. This report was approved by the Trustees on 7<sup>th</sup> September 2015 and signed on their behalf, by:

  
.....  
Maurice Tutty

**ELLENOR LIONS HOSPICES**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**ELLENORLIONS HOSPICES**

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We have audited the financial statements of Ellenor Lions Hospices for the year ended 31 March 2015 which comprise the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the Consolidated 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 (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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

***Respective responsibilities of Trustees and auditor***

As explained more fully in the Statement of Trustees' Responsibilities set out in the Trustees' Report, 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.

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 (APB'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/auditsscopeukprivate](http://www.frc.org.uk/auditsscopeukprivate).

***Opinion on financial statements***

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and group's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

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



**Richard Weaver (Senior Statutory Auditor)**  
**for and on behalf of haysmacintyre, Statutory Auditor**

**26 Red Lion Square**  
**London**  
**WC1R 4AG**

..... 7<sup>th</sup> September 2015

**haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2008**

**ELLENOR LIONS HOSPICES**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2015

INCOMING RESOURCES	Note	Restricted funds £	Unrestricted Funds £	Total 2015 £	Total 2014 £
<b>Incoming resources from generated funds:</b>					
Voluntary income	2	412,122	2,213,817	2,625,939	2,919,142
Activities for generating funds:					
Trading company	3	-	1,467,214	1,467,214	1,434,456
Lottery company	3	-	367,362	367,362	399,465
Catering services		-	18,024	18,024	18,593
Investment income	4	-	19,854	19,854	15,103
<b>Incoming resources from charitable activities</b>	5	143,389	1,574,459	1,717,848	2,300,603
<b>TOTAL INCOMING RESOURCES</b>		<u>555,511</u>	<u>5,660,730</u>	<u>6,216,241</u>	<u>7,087,362</u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds:</b>					
Costs of generating voluntary income	6	-	592,999	592,999	491,243
Fundraising trading:					
Trading company	3	-	1,171,675	1,171,675	959,981
Lottery company	3	-	148,637	148,637	183,809
Investment property expenses		-	4,319	4,319	5,259
<b>Charitable activities:</b>					
Services for adults		65,054	3,229,980	3,295,034	3,256,396
Services for children and young people		184,317	917,613	1,101,930	1,122,789
<b>Governance costs</b>		-	42,055	42,055	42,655
<b>TOTAL RESOURCES EXPENDED</b>	7 or 9	<u>249,371</u>	<u>6,107,278</u>	<u>6,356,649</u>	<u>6,062,132</u>
<b>NET (RESOURCES EXPENDED)/ INCOMING RESOURCES BEFORE INVESTMENT GAINS/(LOSSES)</b>		306,140	(446,548)	(140,408)	1,025,230
Gains and losses on revaluations of investment Assets	13	-	403,846	403,846	358
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		306,140	(42,702)	263,438	1,025,588
Total funds at 1 April 2014		1,638,055	3,616,580	5,254,635	4,229,047
<b>TOTAL FUNDS AT 31 MARCH 2015</b>	18	<u><u>1,944,195</u></u>	<u><u>3,573,878</u></u>	<u><u>5,518,073</u></u>	<u><u>5,254,635</u></u>

The unrestricted funds above include designated funds of £2,217,751

All activities relate to continuing operations.

The accompanying notes form part of these financial statements.

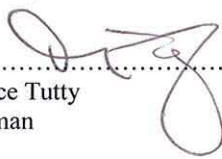
CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2015

	Note	2015		2014	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12		3,456,602		3,434,785
Investment property	13		987,500		585,000
Investments	14		13,397		13,051
			<u>4,457,499</u>		<u>4,032,836</u>
<b>CURRENT ASSETS</b>					
Stocks	15	27,913		25,472	
Debtors	16	717,457		288,099	
Cash at bank and in hand		828,731		1,432,091	
		<u>1,574,101</u>		<u>1,745,662</u>	
<b>CREDITORS: amounts falling due within one year</b>	17	(513,527)		(523,863)	
<b>NET CURRENT ASSETS</b>			<u>1,060,574</u>		<u>1,221,799</u>
<b>NET ASSETS</b>			<u>5,518,073</u>		<u>5,254,635</u>
<b>CHARITY FUNDS</b>					
Restricted funds	19		1,944,195		1,638,055
Unrestricted funds:					
Designated funds	19		2,217,751		2,210,270
General funds	19		1,356,127		1,406,310
			<u>5,518,073</u>		<u>5,254,635</u>

The financial statements were approved and authorised for issue by Trustees on 7<sup>th</sup> September 2015 and were signed on their behalf by:

.....  
Maurice Tutty  
Chairman



The accompanying notes form part of these financial statements.

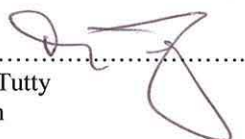
COMPANY BALANCE SHEET

AS AT 31 MARCH 2015

	Note	2015		2014	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12		3,281,946		3,348,325
Investment property	13		987,500		585,000
Investments	14		13,399		13,053
			<u>4,282,845</u>		<u>3,946,378</u>
<b>CURRENT ASSETS</b>					
Debtors	16	1,215,826		983,776	
Cash at bank and in hand		352,271		671,356	
		<u>1,568,097</u>		<u>1,655,132</u>	
<b>CREDITORS: amounts falling due within one year</b>	17	<u>(388,628)</u>		<u>(401,667)</u>	
<b>NET CURRENT ASSETS</b>			1,179,469		1,253,465
<b>NON-CURRENT ASSETS</b>	16		125,000		125,000
<b>NET ASSETS</b>			<u>5,587,314</u>		<u>5,324,843</u>
<b>CHARITY FUNDS</b>					
Restricted funds	19		1,944,195		1,638,055
Unrestricted funds:					
Designated funds	19		2,217,751		2,210,270
General funds	19		1,425,368		1,476,518
			<u>5,587,314</u>		<u>5,324,843</u>

The financial statements were approved and authorised for issue by Trustees on 7<sup>th</sup> September 2015 and were signed on their behalf by:

.....  
Maurice Tutty  
Chairman



The accompanying notes form part of these financial statements.

**ELLENOR LIONS HOSPICES**  
**(A company limited by guarantee)**

**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
Net cash (outflow)/inflow from operating activities	20	(150,233)	1,128,735
Capital expenditure and financial investment	21	(253,008)	(541,681)
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<u>(403,241)</u>	<u>587,054</u>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT)/FUNDS</b>			
(Decrease)/Increase in cash in the year		(403,241)	587,054
Cash (inflow) from increase in debt and lease financing		-	-
<b>MOVEMENT IN NET (DEBT)/FUNDS IN THE YEAR</b>		<u>(401,738)</u>	<u>587,054</u>
Net funds at 1 April 2014		1,228,727	641,673
<b>NET FUNDS AT 31 MARCH 2015</b>	22	<u>825,486</u>	<u>1,228,727</u>

The accompanying notes form part of these financial statements.

**ELLENOR LIONS HOSPICES**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015**

---

**1. ACCOUNTING POLICIES**

**Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiaries. The results of the subsidiaries are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

**Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**Fund accounting**

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

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

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

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

**Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies entitlement is the earlier of the company being notified of the value of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

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



**ELLENOR LIONS HOSPICES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

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**1. ACCOUNTING POLICIES (continued)**

**Resources expended**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly, in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

**Basis of consolidation**

The financial statements consolidated the accounts of Ellenor Lions Hospices and all of its subsidiary undertakings – Ellenor Lions Hospices Trading Limited and Ellenor Lions Hospices Lottery Company Limited.

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

The income and expenditure account for the year dealt with in the accounts of the company was a deficit of £655,949 (2014: £333,394 surplus)

**Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**Intangible fixed assets and amortisation**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Statement of Financial Activities over its estimated economic life.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Leasehold property	- over the period of the lease
Furniture & equipment	- 11-33% straight line
Motor vehicles	- 20% straight line

**Investments**

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

**Subsidiary undertakings**

Investments in subsidiaries are valued at cost less provision for impairment.

**ELLENOR LIONS HOSPICES**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

**1. ACCOUNTING POLICIES (continued)**

**Investment properties**

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No. 19 and these are not depreciated.

**Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**Operating leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities (SOFA) as incurred over the term of the lease.

**Stocks**

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

**Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**2. VOLUNTARY INCOME**

	<b>Restricted Funds £</b>	<b>Unrestricted Funds £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Donations	32,122	1,697,867	1,729,989	1,754,355
Legacies	380,000	515,950	895,950	1,164,787
	<u>412,122</u>	<u>2,213,817</u>	<u>2,625,939</u>	<u>2,919,142</u>

**ELLENOR LIONS HOSPICES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

**3. TRADING ACTIVITIES**

EllenorLions Hospices has two subsidiaries. A summary of the results of the subsidiaries as at 31 March 2015 are shown below:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Ellenor Lions Hospices Trading Limited</b>		
Turnover	1,467,214	1,434,456
Cost of sales	(192,658)	(167,933)
	<hr/>	<hr/>
Gross profit	1,274,556	1,266,523
Administrative expenses	(971,029)	(784,149)
	<hr/>	<hr/>
Operating profit	303,527	482,374
Interest receivable	370	888
Interest payable	(7,988)	(7,899)
	<hr/>	<hr/>
Gift aid donation to parent	295,909	475,363
	(295,909)	(557,216)
	<hr/>	<hr/>
	-	(81,853)
	<hr/>	<hr/>
<b>Net assets/ (liabilities)</b>	<b>(81,852)</b>	<b>(81,852)</b>
	<hr/>	<hr/>
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Ellenor Lions Hospices Lottery Company Limited</b>		
Turnover	367,362	399,465
Cost of sales	(118,207)	(156,293)
	<hr/>	<hr/>
Gross profit	249,465	243,172
Administrative expenses	(30,430)	(27,483)
	<hr/>	<hr/>
Operating profit	219,035	215,689
Interest receivable	593	1,175
Interest payable	-	(33)
	<hr/>	<hr/>
Gift aid donation to parent	219,628	216,831
	(218,664)	(216,619)
	<hr/>	<hr/>
	964	212
	<hr/>	<hr/>
<b>Net assets</b>	<b>12,611</b>	<b>11,647</b>
	<hr/>	<hr/>

Note 27 provides further details of the charity's investment in the subsidiary undertakings.

**ELLENOR LIONS HOSPICES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

<b>4. INVESTMENT INCOME</b>			<b>2015</b>	<b>2014</b>
			£	£
Interest and dividends			1,106	3,162
Rental income			18,748	11,941
			<u>19,854</u>	<u>15,103</u>
<b>5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total funds 2015</b>	<b>Total funds 2014</b>
	£	£	£	£
Department of Health	143,389	4,559	147,948	581,417
Local authority contracts	-	1,333,381	1,333,381	1,485,524
Other charitable income	-	223,318	223,318	227,683
Education and training	-	13,201	13,201	5,979
	<u>143,389</u>	<u>1,574,459</u>	<u>1,717,848</u>	<u>2,300,603</u>
<b>6. COSTS OF GENERATING VOLUNTARY INCOME</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total funds 2015</b>	<b>Total funds 2014</b>
	£	£	£	£
Promotional costs	-	168,823	168,823	114,102
Support costs	-	36,397	36,397	25,635
Staff costs	-	383,575	383,575	347,219
Depreciation	-	4,204	4,204	4,287
	<u>-</u>	<u>592,999</u>	<u>592,999</u>	<u>491,243</u>
<b>7. DIRECT AND SUPPORT COSTS</b>	<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total 2015</b>	<b>Total 2014</b>
	£	£	£	£
<b>Cost of generating funds:</b>				
Cost of generating voluntary income	564,121	28,878	592,999	491,243
Fundraising trading:				
Trading company	1,090,427	81,248	1,171,675	959,981
Lottery company	143,970	4,667	148,637	183,809
Investment property expenses	4,319	-	4,319	5,259
<b>Charitable activities:</b>				
Services for adults	2,830,794	464,240	3,295,034	3,256,396
Services for children and young people	938,014	163,916	1,101,930	1,122,789
<b>Governance costs</b>	-	42,055	42,055	42,655
	<u>5,571,645</u>	<u>785,004</u>	<u>6,356,649</u>	<u>6,062,132</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2015

8. ANALYSIS OF SUPPORT COSTS	Support Premises £	Admin £	Finance and IT £	Total 2015 £	Total 2014 £
<b>Cost of generating funds:</b>					
Cost of generating voluntary income	3,828	12,934	12,116	28,878	22,375
Fundraising trading:					
Trading company	53,082	-	28,166	81,248	82,195
Lottery company	-	-	4,667	4,667	6,481
<b>Charitable activities:</b>					
Services for adults	76,206	320,642	67,392	464,240	402,731
Services for children and young people	25,251	116,334	22,331	163,916	229,033
<b>Governance costs</b>	-	-	42,055	42,055	42,655
<b>Total</b>	<u>158,367</u>	<u>449,910</u>	<u>176,727</u>	<u>785,004</u>	<u>785,470</u>

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff Costs £	Depreciation £	Other Costs £	Total 2015 £	Total 2014 £
Cost of generating voluntary income	374,397	4,204	214,398	592,999	491,243
Fundraising Trading:					
Trading company	465,381	31,681	674,613	1,171,675	959,981
Lottery company	13,587	-	135,050	148,637	183,809
Investment property expenses	-	-	4,319	4,319	5,259
<b>Costs of generating funds</b>	<u>853,365</u>	<u>35,885</u>	<u>1,028,380</u>	<u>1,917,630</u>	<u>1,640,292</u>
Services for adults	2,650,190	146,697	498,147	3,295,034	3,256,396
Services for children and young people	878,169	48,609	175,152	1,101,930	1,122,789
<b>Charitable activities</b>	<u>3,528,359</u>	<u>195,306</u>	<u>673,299</u>	<u>4,396,964</u>	<u>4,379,185</u>
<b>Governance</b>	<u>21,362</u>	<u>-</u>	<u>20,693</u>	<u>42,055</u>	<u>42,655</u>
	<u>4,403,086</u>	<u>231,191</u>	<u>1,722,372</u>	<u>6,356,649</u>	<u>6,062,132</u>

**ELLENOR LIONS HOSPICES**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

<b>10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting):		
Depreciation of tangible fixed assets: - owned by the charitable group	231,191	174,024
Auditors' remuneration	11,024	8,750
Auditors' remuneration – subsidiaries	3,999	4,650
Auditors remuneration – other	-	520
	<u>          </u>	<u>          </u>

During the year, no Trustees received any remuneration (2014: £Nil).  
 During the year, no Trustees received any benefits in kind (2014 - £Nil).  
 During the year, no Trustees received any reimbursement of expenses (2014: £Nil).

<b>11. STAFF COSTS</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Staff costs were as follows:		
Wages and salaries	3,862,735	3,773,814
Social security costs	317,075	286,511
Other pension costs	223,276	196,449
	<u>          </u>	<u>          </u>
	<u>4,403,086</u>	<u>4,256,774</u>

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

	<b>No.</b>	<b>No.</b>
Charitable activity staff	161	157
Finance and admin	6	7
Fundraising	18	15
	<u>          </u>	<u>          </u>
	<u>185</u>	<u>179</u>

The number of higher paid employees was:

	<b>No.</b>	<b>No.</b>
In the band:		
£60,001 - £70,000	2	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001-£110,000	2	1
	<u>          </u>	<u>          </u>
	<u>5</u>	<u>4</u>

The above includes Medical Consultants on the NHS pay scheme. Contributions were made to a defined contribution pension scheme on behalf of the all higher paid employees. The salary included in these bands includes employer national insurance and pension contributions. No bonuses were paid to any staff during the year. No Trustees received remuneration from the charity.

**ELLENOR LIONS HOSPICES**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

**12. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold Property £</b>	<b>Long term Leasehold Property £</b>	<b>Furniture &amp; Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2014	954,147	3,154,630	1,649,583	51,881	5,810,241
Additions	-	14,179	238,829	-	253,008
Disposals	-	-	-	(2,000)	(2,000)
<b>At 31 March 2015</b>	<u>954,147</u>	<u>3,168,809</u>	<u>1,888,412</u>	<u>49,881</u>	<u>6,061,249</u>
<b>Depreciation</b>					
At 1 April 2014	230,943	998,590	1,120,535	25,388	2,375,456
Charge for the year	14,287	77,582	126,435	12,887	231,191
Disposals	-	-	-	(2,000)	(2,000)
<b>At 31 March 2015</b>	<u>245,230</u>	<u>1,076,172</u>	<u>1,246,970</u>	<u>36,275</u>	<u>2,604,647</u>
<b>Net book value</b>					
At 31 March 2015	<u>708,917</u>	<u>2,092,637</u>	<u>641,442</u>	<u>13,606</u>	<u>3,456,602</u>
At 31 March 2014	<u>723,204</u>	<u>2,156,040</u>	<u>529,048</u>	<u>26,493</u>	<u>3,434,785</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

<b>Group</b>	<b>2015 £</b>	<b>2014 £</b>
Furniture, fittings and equipment	-	4,008

**ELLENOR LIONS HOSPICES**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

<b>12. TANGIBLE FIXED ASSETS (continued)</b>	<b>Freehold Property</b>	<b>Long term Leasehold Property</b>	<b>Furniture &amp; Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
<b>Company</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 April 2014	954,147	3,143,323	1,419,347	51,881	5,568,698
Additions	-	14,179	118,950	-	133,129
Disposals	-	-	-	(2,000)	(2,000)
<b>At 31 March 2015</b>	<b>954,147</b>	<b>3,157,502</b>	<b>1,538,297</b>	<b>49,881</b>	<b>5,699,827</b>
<b>Depreciation</b>					
At 1 April 2014	230,943	990,647	973,395	25,388	2,220,373
Charge for the year	14,287	77,296	95,038	12,887	199,508
Disposals	-	-	-	(2,000)	(2,000)
<b>At 31 March 2015</b>	<b>245,230</b>	<b>1,067,943</b>	<b>1,068,433</b>	<b>36,275</b>	<b>2,417,881</b>
<b>Net book value</b>					
At 31 March 2015	708,917	2,089,559	469,864	13,606	3,281,946
At 31 March 2014	723,204	2,152,676	445,952	26,493	3,348,325

**13. INVESTMENT PROPERTY**

<b>Group</b>	<b>Freehold Investment Property</b>
	<b>£</b>
<b>Valuation</b>	
At 1 April 2014	585,000
Unrealised gain/ (loss) on revaluation	402,500
Loss on disposal	-
Transfers from fixed assets	-
<b>At 31 March 2015</b>	<b>987,500</b>

The 2015 valuations were made by the Trustees and are on an open market value for existing use basis.

<b>Company</b>	<b>£</b>
<b>Valuation</b>	
At 1 April 2014	585,000
Unrealised gain/ (loss) on revaluation	402,500
Loss on disposal	-
<b>At 31 March 2015</b>	<b>987,500</b>

The 2015 valuations were made by a RICS Registered Valuer and are on an open market value for existing use basis.

The latest professional valuations of the properties were carried out on 2<sup>nd</sup> April 2015 by Sinclair Jones in accordance with current RCIS valuation standards (Red Book) and is subject to Standard Limitations.



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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2015

14. FIXED ASSET INVESTMENTS

Group	Listed securities £
<b>Market Value</b>	
At 1 April 2014	13,051
Revaluations	1,346
Redemption of shares	(1,000)
<b>At 31 March 2015</b>	<u>13,397</u>

Group investments at market value comprise:

	2015 £	2014 £
Listed investments	<u>13,397</u>	<u>13,051</u>

All the fixed asset investments are held in the UK.

Company	Sub total Brought Forward £	Shares in Group undertakings £	Total £
<b>Market Value</b>			
At 1 April 2014	13,051	2	13,053
Revaluations	1,346	-	1,346
Redemption of shares	(1,000)	-	(1,000)
<b>At 31 March 2015</b>	<u>13,397</u>	<u>2</u>	<u>13,399</u>

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.

15. STOCKS

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Finished goods and goods for resale	<u>27,913</u>	<u>25,472</u>	<u>-</u>	<u>-</u>

16. DEBTORS

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
<b>Due after more than one year</b>				
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>125,000</u>
<b>Due within one year</b>				
Trade debtors	46,418	46,418	107,320	46,418
Amounts owed by group undertakings	-	-	606,832	809,293
Other debtors	8,130	7,826	8,130	7,826
Prepayments and accrued income	662,909	233,855	493,544	120,239
	<u>717,457</u>	<u>288,099</u>	<u>1,215,826</u>	<u>983,776</u>

**ELLENOR LIONS HOSPICES**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

17. CREDITORS: amounts falling due within one year	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Bank overdraft	1,503	2,320	-	-
Net obligations under finance leases and hire purchase contracts	1,742	5,176	1,742	5,176
Trade creditors	191,413	107,116	151,177	63,492
Other taxes and social security	83,202	74,110	83,202	74,110
Other creditors	186,532	103,210	103,372	26,958
Accruals and deferred income	49,135	36,063	49,135	36,063
Bank loan	-	195,868	-	195,868
	<u>513,527</u>	<u>523,863</u>	<u>388,628</u>	<u>401,667</u>

The bank loan was repaid on the 1st August 2014. During the financial year it bore interest at 3.27% above Bank of England base rate and was secured against the charity's investment properties. Post year end a bank loan in principle, secured against the charity's investment properties. This will bear interest at 2.50% above Bank of England base rate.

ELLENOR LIONS HOSPICES  
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2015

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers Gains/ (losses) £	Carried forward £
<b>Unrestricted funds:</b>					
Designated fund	2,210,270	-	-	7,481	2,217,751
General fund	1,406,310	5,660,730	(6,107,278)	396,365	1,356,127
	<u>3,616,580</u>	<u>5,660,730</u>	<u>(6,107,278)</u>	<u>403,846</u>	<u>3,573,878</u>
<b>Restricted funds</b>					
Mini bus	3,100	-	(224)	-	2,876
Property extension 2008	206,012	-	(7,095)	-	198,917
NHS England Children's Hospice Grant 2014/15	-	143,389	(143,389)	-	-
Hospice DTU extension 2010/11	451,686	-	(14,850)	-	436,836
President Club Minibus	25,165	-	(5,181)	-	19,984
Heart FM Mini (Together for Short Lives)	5,437	-	(3,625)	-	1,812
Reclining chairs	1,550	-	(600)	-	950
Trust IT Servers	10,000	-	(5,000)	-	5,000
NHS England Grant 2014/15	435,105	-	(37,285)	-	397,820
<i>Climate control and bathroom refurbishment</i>					
CIN – Music Therapist	-	12,122	(12,122)	-	-
Garfield Western - Transition Care - Youth Worker	-	20,000	(20,000)	-	-
Restricted Legacy	500,000	380,000	-	-	880,000
	<u>1,638,055</u>	<u>555,511</u>	<u>(249,371)</u>	<u>-</u>	<u>1,944,195</u>
<b>Total of funds</b>	<u>5,254,635</u>	<u>6,216,241</u>	<u>(6,356,649)</u>	<u>403,846</u>	<u>5,518,073</u>

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 Department of Health grant 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 Presidents Club donated funds for the purchase of a new minibus.

Heart FM donated a Mini in aid of the Together for Short Lives appeal.

A donation from the DMA Trust was received for reclining chairs.

The trust donated funds towards the purchase of an IT server. This will be carried out in 2015/16

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

Garfield Western – provided funds towards the employment costs of a youth worker to support our transition care.

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

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Restricted	Unrestricted		Total	Total
	funds	Designated	General	Funds	Funds
	£	£	£	2015	2014
				£	£
Tangible fixed assets	1,064,195	2,217,751	174,656	3,456,602	3,434,785
Fixed asset investments	-	-	13,397	13,397	13,051
Investment property	-	-	987,500	987,500	585,000
Current assets	880,000	-	694,101	1,574,101	1,745,662
Creditors: due within one year	-	-	(513,527)	(513,527)	(523,863)
	<u>1,944,195</u>	<u>2,217,751</u>	<u>1,356,127</u>	<u>5,518,073</u>	<u>5,254,635</u>
<b>20. NET CASH FLOW FROM OPERATING ACTIVITIES</b>				<b>2015</b>	<b>2014</b>
				£	£
Movement in funds before revaluation				(140,408)	1,025,230
Depreciation of tangible fixed assets				231,191	174,024
(Increase)/ decrease in stocks				(2,441)	(2,851)
Decrease/(increase) in debtors				(429,358)	47,295
(Decrease)/increase in creditors				190,783	(114,963)
<b>Net cash inflow/(outflow) operating activities</b>				<u>(150,233)</u>	<u>1,128,735</u>
<b>21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT</b>				<b>2015</b>	<b>2014</b>
				£	£
<b>Capital expenditure and financial investments</b>					
Purchase of tangible fixed assets				(253,008)	(541,681)
Proceeds from disposal of investment property				-	-
<b>Net cash inflow/(outflow) capital expenditure</b>				<u>(253,008)</u>	<u>(541,681)</u>
<b>Financing</b>					
Bank loans				-	195,868

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

**22. ANALYSIS OF CHANGES IN NET DEBT**

	1 April 2014 £	Cash flow £	Other Non-cash Changes £	31 March 2015 £
Cash at bank and in hand	1,432,091	(603,360)	-	828,731
Bank overdraft	(2,320)	817	-	(1,503)
	<u>1,429,771</u>	<u>(602,543)</u>	-	<u>827,228</u>
<b>Debt</b>				
Finance leases	(5,176)	3,434	-	(1,742)
Bank loan	(195,868)	195,868	-	-
	<u>1,228,727</u>	<u>(403,241)</u>	-	<u>825,486</u>

**23. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently managed and administered fund held by an external pension company. The pension cost charge represents contributions payable by the company to the fund and amounted to £226,247 (2014: £196,449).

**24. RELATED PARTY TRANSACTIONS**

There were no related party transactions for the year ending 31<sup>st</sup> March 2015.

**25. CONTROLLING PARTY**

The EllenorLions Hospices is controlled by its Board of Trustees.

**26. 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

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2015**

**27. OPERATING LEASE COMMITMENTS**

<b>Group</b>	<b>2015</b>		<b>2014</b>	
	<b>Land &amp; Buildings £</b>	<b>Other £</b>	<b>Land &amp; Buildings £</b>	<b>Other £</b>
As at 31 March 2015, the group had annual commitments totalling:				
Leases expiring within 1 year	-	10,351	20,257	12,476
Leases expiring within 1-2 years	-	8,199	-	18,795
Leases expiring within 2-5 years	84,000	44,912	36,000	23,215
Leases expiring after 5 years	127,324	-	164,332	-
	<u>211,324</u>	<u>63,462</u>	<u>220,589</u>	<u>£54,486</u>
<b>Company</b>	<b>2015</b>		<b>2014</b>	
		<b>Other £</b>		<b>Other £</b>
As at 31 March 2015, the group had annual commitments totalling:				
Leases expiring within 1 year		8,022		12,476
Leases expiring within 1 – 2 years		5,357		18,795
Leases expiring within 2-5 years		32,792		8,555
		<u>46,171</u>		<u>39,826</u>