

# ellenor

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

## Annual report and financial statements

For the year ended 31 March 2016

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Company No. 06302132  
Charity No. 1121561



ellenor.✕

## Annual Report and Financial Statements

For the year ended 31 March 2016

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## Reference and Administration details

For the year ended 31 March 2016

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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 <b>ellenor</b> . 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 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> <p>Ellenor Lions Hospices Group also has a dormant company <b>ellenor</b> limited, Registered number 09525742. Currently this company has been set up to register and protect <b>ellenor</b> 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>

## Reference and Administration details

For the year ended 31 March 2016

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Trustees serving during the year	Maurice Tutty Val Elms Barry Palmer David Rolls Mary Saunders Dinah Williams Mark Lumsdon-Taylor Chris Tait Bibi Tabisim Katie Broadfield Bryan Harris Nancy Cogswell Catherine Rossiter	(Chair of Trustees)      (Resigned 7 September 2015)  (Resigned 22 October 2015) (Resigned 31 March 2016)   (Appointed 1 June 2015)
Company Secretary	Tim Hammond	
Key Management	Chief Executive Director of Patient Care Director of Fundraising Director of Finance & Resources	Claire Cardy Jacquie Hackett Rachel Holweger Tim Hammond
Bankers	Barclays Bank PLC PO Box 427 Maidstone Kent ME14 1TW	
Auditors	haysmacintyre Chartered Accountants & Registered Auditors 26 Red Lion Square London WC1R 4AG	

## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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### MAURICE TUTTY – CHAIR OF TRUSTEES

This has been another challenging but successful year for ellenor. We continue to accomplish many of the goals identified in our strategic plan which is designed to further develop the quality of our care and enable us to continuously expand our services to reach more people across our local community.

Maurice Tutty (second from right) taking part in ellenor's sponsored Iceland Trek

I am immensely proud of the incredible hard work undertaken by both our staff and volunteers to enable us to provide outstanding care and support for families facing terminal illness. I am also

extremely grateful to our local community for their continued generosity. Without their support we would not be able to deliver the required care that we provide 24 hours a day, 365 days a year, every year.

Demand for our services continues to grow in line with our expectations. This resulted in over 3,200 patient referrals having access to our services during the year. We are particularly pleased that patient referrals have increased as a direct result of our triage pilot work, targeting local GPs to help them identify their palliative patients that need our care and support.

*"This resulted in over 3,200 patient referrals having access to our services during the year."*

We have continued to develop our services so that we are reaching more people who are able to receive care in their place of choice. We are helping families to make the most of every second, so that they have valuable time to build special memories that last forever. We are now in the fourth year of our strategic plan (2013-18) which requires investment for us to grow our income to ensure we can fund the ever increasing demands for care needed. We continue to find ourselves challenged by external factors which make the fundraising landscape difficult.

We have experienced a tough economic climate this year affecting both retail and fundraising activities. This coincides with significantly increased competition from larger charities and continued constraints applied to general funding sources. We have found some of our challenging income targets difficult to reach and are therefore very grateful for the sustained contributions from our regular supporters and especially grateful to the generosity of families that have donated legacies over the year.

We have expanded our accredited training model to enable us to share our expertise as lead provider of palliative care. We have increased our collaboration and relationships with our local Clinical Commissioning Group and other local authorities to further improve the way we deliver our care. We are proud of all of these relationships and the way our outstanding care has been recognised by them. Working closely with our lead commissioner, we have been able to demonstrate how the effectiveness of our service helps to reduce the pressure on the NHS by avoiding unnecessary trips to A&E and acute hospital for our patients. This in turn is obviously extremely beneficial to the patients and their families as it allows the provision of care to continue being delivered at their place of choice.

**ellenor** (operating name of ELLENOR LIONS HOSPICES)

## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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The Board and Executive team continue to operate well together and I am confident that our Governance structure provides a healthy environment to lead, support and challenge the organisation in the delivery against our strategic plans. We constantly monitor best practice, standards and developments across the charity sector to ensure our internal structures and processes remain fit for purpose.

We have improved the mechanisms for getting feedback from the families we support. I am particularly moved by this feedback as it further demonstrates that in difficult times we are getting things right. We touch people's lives in a unique and extremely personal way at a time when families are at their most vulnerable. There is no doubting the value we deliver into the local community and the beneficial impact we deliver to patients and families. Some examples of the many wonderful comments we have received from our patients and their families can be seen on pages 15 and 16 of this report.

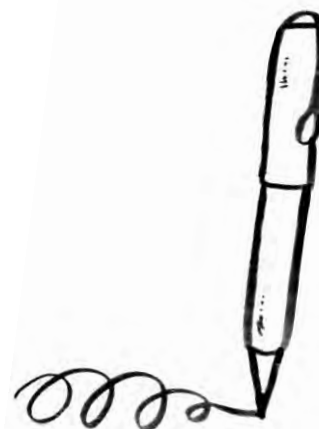
**ellenor** remains a much needed and much valued organisation and I sincerely hope we can continue to sustain this organisation for many years to come so that our children and grandchildren have access to the wonderful care that we must never take for granted.

I would like to thank my fellow Board members for their continued support, hard work and commitment as Trustees of this charity.

To all of our supporters, staff and volunteers, a massive **thank you** – your contributions are invaluable; we could not provide the services we do without you.



**Maurice Tutty**  
Chair of Trustees





## OBJECTIVES, ACTIVITIES AND PUBLIC BENEFITS

### 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 into the fourth year of our current 5 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 in every part of the organisation.

### 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.

## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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### 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 receive our services in their own homes. 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, and offer respite and short breaks.

#### 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, 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.



## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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### 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 and end of life care and a stay lasts for around 2 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.

### 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 enquiries and in finance. The indicative value of this work we estimate to be about £900k pa. totalling about 115,000 hours of work.

Pat Allen (pictured left) who was presented with the The Badge of the Order of Mercy in recognition of her years of volunteering for the charity by The Rt Hon the Lord Lingfield, at Mansion House in London on 4 July.

### Our staff

We are a service-led charity, so as well as our volunteers, our 178 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 we are making HR a priority area for the year ahead.

## ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

### How did we do?

The Board and the Executive Team have responded to changing population needs and looked at how we could extend our services to meet the growing needs of our local community, enabling more people to receive care in the place of their choice.

Through our re-branding and clearer message, we have minimised confusion of the services we offer. Our new 'one point of referral' triage service, which was implemented last year, is helping us to reduce the number of declined referrals. We are designing a number of services to meet the needs of patients with different conditions as well as working with other external agencies, such as ambulance crews, out of hours doctors and local GPs. For example, we plan to work with GP practices, which currently do not make many referrals, to help them identify appropriate patients for our support.

The Trustees have regard 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 2015–16 were as follows:

- **Reach more people in our area**

#### What we said we would do

We said we would continue to broaden our reach to ensure our expert care is available for anyone who needs it, in the place of their choice, to ensure they are able to achieve their preferences of care, regardless of their diagnosis. This included us developing new types of services to meet the needs of patients with a range of conditions, in different settings, and for their carers too.

#### What impact did we make?

We introduced some new services, such as drop-in sessions and Carers Cuppa, and attendance at these has doubled in the last year. Our new referrals into the organisation have increased overall by around 10% and around one third of our patients now have a diagnosis other than cancer. We have piloted outreach clinics in local communities, and these now run regularly in various settings such as shopping centres and community hubs. We have introduced some therapeutic groups – such as low impact exercise, relaxation and breathlessness management, and attendance at these has also increased. We are also continuing our partnership working with Carers First and the Alzheimer's and Dementia Service, to offer joint services as needed.



ellenor's Carers Cuppa initiative wins award from NHS North Kent Clinical Commissioning Group for 'Empowering hard to reach groups'

## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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### • 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.

#### What we said we would do

We said we would 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.

#### What impact did we make?

The programme is now running and we were the first hospice in Kent to offer accredited training. We have supported 6 staff on the Level 3 apprenticeship in Health and Social Care, and have staff currently undertaking a Certificate in Assessing Vocational Achievement (CAVA) and the Quality End of Life Care for All Programmes. We have also taken a lead role in developing the Level 5 Higher Apprenticeship programme for Assistant Practitioners.



First group of **ellenor** staff to receive their certificates.

We also now offer a career in care programme for 16–19 year olds which we aim to run every year. We developed new patient-facing volunteer training in partnership with an Education Collaborative which was presented at the Hospice UK conference in 2015.

These further support **ellenor's** strategy of being the lead provider for end of life care in our area.

### • Improve our Children's Hospice Care Respite provision

We aim to ensure equitable access to our respite provision across each of our areas with a clear concise framework of what we offer families. We recognised that our respite care does not always offer an equitable service to all of the children on our caseload, and this is often affected by geographical location, age or other factors.



#### What we said we would do

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

## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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### What impact did we make?

We carried out a consultation with families to seek their views about this aspect of our care. We received 43 responses:



- 64% of the respondents had used our out of hours telephone service. All of those that had used it had found it helpful.
- 30% of those that responded access our respite provision. Out of those that said they do not access it, two thirds advise that it would be something they would find useful.
- 86% of those that responded are satisfied with the support that they are currently receiving, with the remaining being mostly satisfied.
- 91% of those that responded would recommend us to a family member or friend in need of our service.

This, and other feedback from families, has helped to shape the future of our service delivery. A new framework for respite care provision has been devised and is being implemented with families to ensure that more of them who would benefit from this help are able to receive it.

### • 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.

### What we said we would do

We said we would set up a sub-committee of the Board to review our property and establish how it will need to develop 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.

### What impact did we make?

During the year we started the initial work on various feasibility studies to help us review our current and future accommodation needs and space requirements. These findings will help us to define our future property development requirements, ensuring we maximise the space we have and likely future budgetary costs to enable this to happen. The initial capital development project work will be funded utilising some of the £880k capital restricted legacy received. To review our accommodation needs and develop plans to design facilities that support our care strategy to further improve our care and reach more patients remains a key and long term objective of the coming years. During the year we set up a Property Committee to oversee the governance of this project and to ensure we involve expert advice.



## 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 2016.

### Reaching our local community during the year

All Services  
**3,294**  
referrals received in all our services  
*One child, or young person is referred every week. We care for over 750 people at any one time*

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In the place of their choosing  
**88%** of our patients were cared for in a place of their choice

**ellenor**

WHERE WE PROVIDE OUR CARE

Population figure circa 1 million people

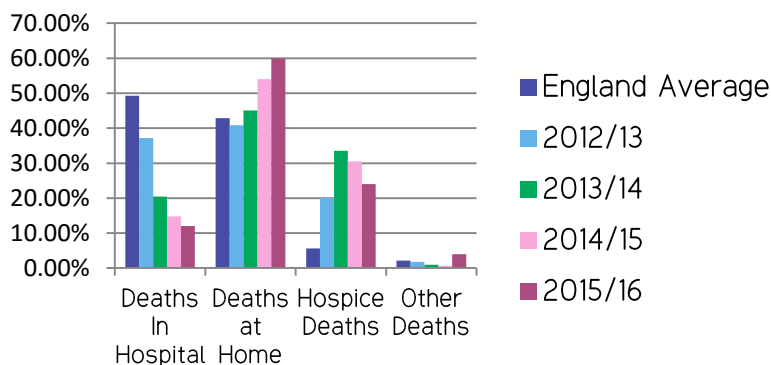
Providing support  
**4,679**  
bereavement sessions and contacts  
**1,467**  
counselling contacts

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Making the most of every second  
**30,275**  
telephone calls &  
**7,392** visits to patient homes

Patients supported by **ellenor** are more likely to die in their own home or hospice, and are five times less likely to die in hospital than the England average. **ellenor** can demonstrate year on year reductions for deaths in hospital.

### Place of Death Comparison



## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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On average 88% 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 0-107 years old



Our staff made 7,392 home visits which is equivalent to 20 visits per day

## Trustees Report (inc Strategic Report)

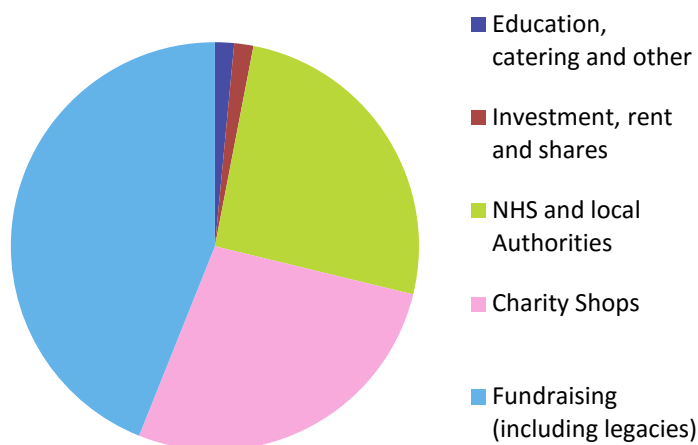
For the year ended 31 March 2016

### FINANCIAL SUMMARY

We have invested in our Fundraising and Trading activities to maintain and fund the increased demand for our care. We are proud to offer our care to families free of charge. Below is a summary of our financial position during the year, more detail is contained from page 26 onwards.

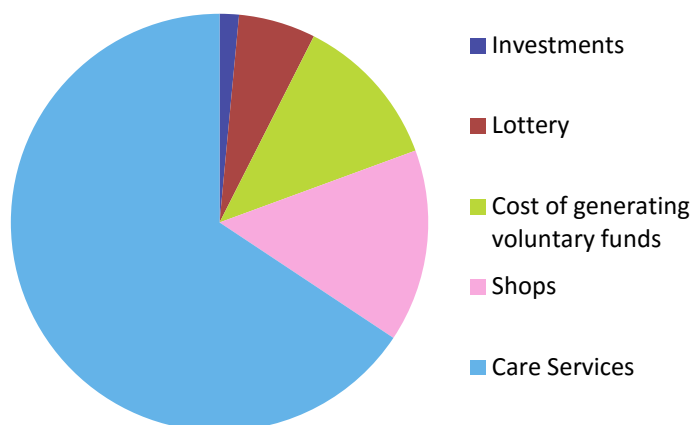
#### How we raised income?

Despite a challenging year, with the generosity of our supporters we raised £6.4m in total income during the year. We were particularly grateful for the £1.2m we received from legacies, 73% 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.



#### How was the money spent?

In order to maintain and develop our care services in future years we invested money in fundraising, trading and lottery activities. We spent money refurbishing property, developing systems and modernising our equipment. Due to this investment we had a net deficit but were pleased that, by controlling costs, this deficit was lower than targeted. We were also pleased that despite this necessary investment we spent more on our care services than we did in the previous year.



In 2016 for every **£1** spent on fundraising **£4** was raised for the charity.

### RESERVES

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

## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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 total reserves held by the group at year end are £5,290,881. Of these total reserves £1,872,671 is restricted to spend on specific care related services and £2,118,392 is designated to replace the value of capital assets when they reach their end of use, to help support future care activity. This leaves £1,299,818 as free reserves to cover the uninterrupted provision of charitable activities, approximately 3 months cover.

The consolidated cash of the group increased from £828,731 to £1,095,938 during the year. In order to fund investments in fundraising and working capital during the year the charity obtained a secured loan on two of its investment properties. The loan up to the value of £200,000 has a draw down facility with no minimum, of which the charity used £11,500 during the year. The loan is due to be repaid on 30<sup>th</sup> May 2017. During the year £69,090 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 cash position includes restricted capital legacies of £800,000. A further £80,000 of this restricted legacy has not yet been received as at year end. £19,100 of this restricted legacy was spent on property feasibility studies during the year to help establish the best use of this property investment.

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, as at that date. The Trustees valuation as at 31<sup>st</sup> March 2016 has estimated that there is no material movement in this market valuation at this year end.

At the end of this year our available general funds totalled £1,284,830 which represents less than 3.5 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 2 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 continued improvements to our brand and supporter communications, will support this financial objective.





## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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### 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. During the 2015-16 year, we received over 200 written compliments and comments. Below are a few of the huge number of "thank you's" we have received from the families we have supported.

We have nothing but wonderful things to say about the staff in the Childrens Team. They're all wonderful, caring people who really helped us through the hardest time of our lives. So, for that, they will hold a place in our hearts forever. Xxx

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. Thank you for helping us when we just didn't know what to do. You all do an amazing job.

Just want to thank you for all your care for my sister and all the family. She was so comfortable there with you all, loved you all from the Dr, nurses, cook, cleaners, tea lady and even the gardener who potted her rose. Nothing was too much trouble if she asked for anything it would be got! We have a very big hole in our family but knowing she passed away peacefully, being cared for so well is a great comfort. Thanks a million.

There are no adequate words to express my thanks to all the staff at the hospice for making mum's last few days peaceful and pain free. From the moment we spoke to you, the huge burden of seeing mum in so much pain and torment in the hospital was lifted, knowing she would now be looked after with the dignity she deserved. I feel blessed that she was taken into your care where she was treated with the greatest respect. Also, a big thank you for taking care of me and my family. To have been able to stay with her day and night, right until the end was everything we wanted.

## THANK YOU (Continued)

Thank you all for caring for her. You were always there for us, right up until mums last night when we really needed you. We are so grateful for all the care mum received from the nurses at such a difficult time.

We just wanted to express our heartfelt thanks for looking after our sister/ auntie both during her pain relief stay and during her final days with you. We are so grateful for the wonderful way in which she was cared for with loving kindness and also respect. You are all angels.

My entire family and I would like to extend our sincerest thanks for all of your love, care and the vast amount of support that you have given us during this difficult time of grief.

I'm so grateful for all your help and support as a service. I really would be lost without all the care and support. Also, everyone at ellenor is so much fun to be around. Truly wonderful caring people. Thank you!

I came along to the carer's course last year and started to come to the carer's cuppa group. We are made to feel so welcome and secure. I have made so many friends and we share our problems and experiences with each other. They have helped me to cope with some of the most difficult times of my life. It has made me become a person in my own right again.



## FUTURE PLANS

The current increasing trend in the number of patient referrals accessing our services reinforces the fact that demand for our services is growing. We project that this trend will continue in future years. Therefore it is vital that we continue to meet our strategic aims to enable us to reach more people that need our support. We will continue to develop services for patients and families by using innovative approaches and new ways of working to ensure we respond to changing needs. However, in order to sustain and develop our services we need to continue to develop our fundraising and trading income streams so we can generate sufficient funds to resource our work. As with this year, this will remain a challenge in competitive and difficult economic conditions. We will remain hugely dependant on the generosity of our local community to enable this to happen. The following future plans address these challenges:

### Care Services

Being the only charity in Kent giving hospice care for all people of all ages in the place they choose, it is important that we continue to develop our services to give more of our community access to our best quality care. Our future care plans will help us to further deliver these objectives. These are:

#### Further develop our wellbeing model of care

We need to 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 will...

A Head of Wellbeing has been appointed. We will be completing a comprehensive review of our existing day service provision, which will be accompanied by a caseload review of day therapy patients. As part of this review, we will be liaising with our patients in day therapy and the community which will feed into the development of the wellbeing model to ensure it meets the needs of wishes of patients and their families.

#### Development of our community outreach work and support for carers

We need to provide our service in the place that people need it and support carers to provide care for their loved ones.

#### We will...

We have piloted 3 outreach groups in Swanley, Dartford and Bluewater providing specialist advice/ support and information for families and the local community. These have been positively evaluated by those attending. We will be looking at implementing regular clinics in multiple locations across our catchment area where patients will be able to access these by using a booking system or through dropping in.

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

Over the last few months we have been working closely with our lead commissioner to put a case for additional funding based on the savings we believe we can achieve for the NHS through hospital avoidance. This recognises the key role we play in meeting the needs of patients and families in our care to achieve their preferred place of care.

## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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### We will...

We will be implementing a number of pilot projects under the banner of 'Palliative and End of Life Care Coordination'. These include additional funding for beds on our Inpatient Ward, in order to allow fast-track admissions direct from an ambulance call-out where appropriate. We will also lead a case management approach with local GP practices and the Out of Hours provider (IC24) 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. Recruitment will be underway shortly to increase our nursing workforce to support this work, the overall aim of which is to enable patients to be cared for in their place of choice.

### Income generation

We 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.

### We will...

We will continue to ensure the right return on investment for our fundraising investments is achieved to develop the income growth required.

We need to continue to develop our retail operations to maximise income.

We will continue to work with statutory funders to build a strong evidence base for our impact in order to attract increased funding.

### HR Strategy

This is another important priority area, as staff and volunteers are our biggest asset.

### We will...

Following the recruitment of a new Director of Human Resources, we will produce a new HR strategy to set out how we will 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.

### Property Development

The property development project continues to be a central priority this year.

### We will...

Led by a sub-committee of the Board, we will 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.

### Collaboration

Working in partnership with others remains a core value.

### We will...

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

## Trustees Report (inc Strategic Report)

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### Communication and systems

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

#### We will...

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.

## 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.

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

- **Risk** – Cash flow sensitivity and reserves policy which could impact on liquidity, our ability 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 planned accordingly through good stewardship. At the yearend, general funds represented just under 3.5 months charitable expenditure cover. A working capital loan required to invest in various fundraising initiatives has been secured against some of our investment properties.
- **Risk** – Fundraising 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 in our major donor and lottery income streams. The future return on these investments will help us to further develop and sustain our care work.
- **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 remains competitive. These investments included refurbishment of one store and new income streams in collecting Gift Aid on donations and E-Bay. 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.

## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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- **Risk** – IT hardware or software obsolescence impacts on service performance, availability, external regulatory compliance and ability to run third party applications.  
**Existing controls** – During 2016 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.

## 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 members of the company 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 reviews 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 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 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.

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 (post year end)
- 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.

**ellenor** will seek to ensure that all Key Management personnel (detailed in the Reference and Administrative Details statement of these accounts) and all staff receive appropriate salary for their work, taking into account the financial resources available. **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,

## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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objectivity and equality of opportunity. The charity believes that employee salaries should reflect their level of responsibility in their job, the skills knowledge and experience required, internal comparisons and the external salary market. The pay scale of staff roles are reviewed annually through the HR Committee, Finance and Investment Committee and ratified by the Board of Trustees.

All the other sub-committees meet on a quarterly basis and the chairs present reports to the full Board. With notice, any of the Trustees can call a meeting of Trustees. Minutes and resulting actions are documented and signed at every meeting. All Trustees give of their time freely and no Trustee received remuneration in the year. All Trustees are required to complete a Fit and Proper Person declaration annually. Tim Hammond, Director of Finance & Resources and Company Secretary is the sole Director of **ellenor** Limited, a dormant company with no assets during the year.

The performance and strategic objectives of the Trading and Lottery subsidiaries are rigorously appraised through the Voluntary Income Generation Committee. The finances, risk, governance and staff terms & conditions for these subsidiaries are also included in the agendas of the following committees; Finance and Investment Committee, Risk and Governance Committee, Voluntary Income Generating Committee, Health and Safety Committee and HR Committee (post year end).

## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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### 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.



**ellenor** (operating name of ELLENOR LIONS HOSPICES)

## Trustees Report (inc Strategic Report)

For the year ended 31 March 2016

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### 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 12<sup>th</sup> September 2016 and signed on their behalf by:



.....  
Maurice Tutty  
Chair of Trustees

## Independent Auditor's report to the members of ellenor

For the year ended 31 March 2016

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We have audited the financial statements of Ellenor Lions Hospices for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Charitable Company 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 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 23, 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](http://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 2016 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.

**ellenor** (operating name of ELLENOR LIONS HOSPICES)

## Independent Auditor's report to the members of ellenor

For the year ended 31 March 2016

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

In our opinion the information given in the Trustees' Annual Report incorporating the 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:

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

*12<sup>th</sup> September 2016*

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# ellenor (operating name of ELLENOR LIONS HOSPICES)

(a company limited by guarantee company No. 06302132)

## Consolidated Statement of Financial Activities

(including consolidated income and expenditure account)

For the year ended 31 March 2016

	Notes	Restricted Funds £	Unrestricted Funds £	Total 2016 £	Total 2015 £
<b>INCOME FROM:</b>					
Donations and legacies	2	111,762	2,777,564	2,889,326	2,625,939
Charitable activities <i>Services for families facing terminal illness</i>	3	348,927	1,377,092	1,726,019	1,717,848
Other trading activities <i>Charity retail shops and lottery</i>	8	-	1,773,459	1,773,459	1,834,576
Investments		-	24,172	24,172	19,854
Other		-	21,447	21,447	18,024
<b>Total income</b>		<u>460,689</u>	<u>5,973,734</u>	<u>6,434,423</u>	<u>6,216,241</u>
<b>EXPENDITURE ON:</b>					
Raising funds <i>Fundraising and trading activities</i>		-	2,134,975	2,134,975	1,928,026
Charitable activities <i>Services for families facing terminal illness</i>		532,213	3,960,181	4,492,394	4,454,604
Other		-	3,189	3,189	4,319
<b>Total expenditure</b>	4	<u>532,213</u>	<u>6,098,345</u>	<u>6,630,558</u>	<u>6,386,949</u>
Net gains/(losses) on Investments		-	(757)	(757)	403,846
<b>Net income/(expenditure)</b>	7	<u>(71,524)</u>	<u>(125,368)</u>	<u>(196,892)</u>	<u>233,138</u>
<b>Transfers between funds</b>		-	-	-	-
<b>Other recognised gains/(losses)</b>		-	-	-	-
<b>Net movement in funds</b>		<u>(71,524)</u>	<u>(144,468)</u>	<u>(196,892)</u>	<u>233,138</u>
Funds brought forward		<u>1,944,195</u>	<u>3,543,578</u>	<u>5,487,773</u>	<u>5,254,635</u>
Funds at 31 March 2016		<u>1,872,671</u>	<u>3,399,110</u>	<u>5,290,881</u>	<u>5,487,773</u>

The notes on pages 29 to 44 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 2015 are shown in note 24.

# ellenor (operating name of ELLENOR LIONS HOSPICES)

(a company limited by guarantee company No. 06302132)

## Consolidated AND Charity Balance Sheets

For the year ended 31 March 2016

	Note	Group		Charity	
		2016 £	2015 £	2016 £	2015 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	10	3,289,337	3,456,602	3,130,163	3,281,946
Investments	11	12,640	13,397	12,642	13,399
Investment Properties	11	987,500	987,500	987,500	987,500
<b>TOTAL FIXED ASSETS</b>		<u>4,289,477</u>	<u>4,457,499</u>	<u>4,130,305</u>	<u>4,282,845</u>
<b>CURRENT ASSETS</b>					
Stocks of goods for resale	12	27,283	27,913	-	-
Debtors	13	492,817	717,457	928,265	1,215,826
Cash at bank and in hand		1,095,938	828,731	643,081	352,271
<b>TOTAL CURRENT ASSETS</b>		<u>1,616,038</u>	<u>1,574,101</u>	<u>1,571,346</u>	<u>1,568,097</u>
<b>CREDITORS: amounts falling due within one year</b>	14	(614,634)	(543,827)	(437,897)	(413,480)
<b>NET CURRENT ASSETS</b>		<u>1,001,404</u>	<u>1,030,274</u>	<u>1,133,449</u>	<u>1,154,617</u>
<b>NON-CURRENT ASSETS</b>		-	-	125,000	125,000
<b>NET ASSETS</b>		<u>5,290,881</u>	<u>5,487,773</u>	<u>5,388,754</u>	<u>5,562,462</u>
<b>FUNDS OF THE CHARITY</b>	17				
Unrestricted funds:					
General funds		1,299,818	1,325,827	1,397,691	1,400,516
Designated funds		2,118,392	2,217,751	2,118,392	2,217,751
Restricted funds		1,872,671	1,944,195	1,872,671	1,944,195
<b>TOTAL CHARITY FUNDS</b>		<u>5,290,881</u>	<u>5,487,773</u>	<u>5,388,754</u>	<u>5,562,462</u>

The Accounting Policies and notes on pages 29 to 44 form part of these Accounts.

The Accounts were approved and authorised for issue by The Board on 12<sup>th</sup> September 2016 and were signed below on its behalf on



.....  
Maurice Tutty  
Chair of Trustees

**ellenor** (operating name of ELLENOR LIONS HOSPICES)

(a company limited by guarantee company No. 06302132)

## Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	Note	2016		2015	
		Group £	Charity £	Group £	Charity £
<b>Cash flows from operating activities</b>	20	<u>336,297</u>	<u>330,433</u>	<u>(350,352)</u>	<u>(185,956)</u>
<b>Cash flows from investing activities</b>					
Purchase of tangible fixed assets		<u>(69,090)</u>	<u>(39,623)</u>	<u>(253,008)</u>	<u>(133,129)</u>
<b>Cash provided by (used in) investing activities</b>		<u>(69,090)</u>	<u>(39,623)</u>	<u>(253,008)</u>	<u>(133,129)</u>
<b>Increase (decrease) in cash and cash equivalents in the year</b>		267,207	290,810	(603,360)	(319,085)
Cash and cash equivalents at the beginning of the year		<u>828,731</u>	<u>352,271</u>	<u>1,432,091</u>	<u>671,356</u>
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<u>1,095,938</u>	<u>643,081</u>	<u>828,731</u>	<u>352,271</u>

## Notes to Financial Statements

For the year ended 31 March 2106

### 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:

#### Basis of preparation

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

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).

#### Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. The transition date was 1<sup>st</sup> April 2014.

The Trustees have concluded and agreed that the valuing of shops donated goods for resale on receipt is impractical due to the high volume of low value items, lack of stock system for recording these items and the administrative cost involved. Instead the income is recognised in the accounts when these goods are sold.

The Trustees have concluded and agreed that the charity should recognise the value of accrued holiday pay for its staff and comparatives should be included.

In accordance with the requirements of FRS 102, a reconciliation of opening balances is provided:

Reconciliation of opening funds and balances	1 April 2014 £	31 March 2015 £
Fund balances as previously stated	5,254,635	5,518,073
Holiday pay accrual	-	(30,300)
Fund balances as restated	<u>5,254,635</u>	<u>5,487,773</u>

**ellenor** (operating name of ELLENOR LIONS HOSPICES)

(a company limited by guarantee company No. 06302132)

## Notes to Financial Statements (continued)

For the year ended 31 March 2016

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### ACCOUNTING POLICIES (continued)

#### 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 and Ellenor Lions Hospices Lottery Company Limited 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 deficit of the parent charity was £173,708 (2015: surplus of £237,619).

#### 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.



**ellenor** (operating name of ELLENOR LIONS HOSPICES)

(a company limited by guarantee company No. 06302132)

## Notes to Financial Statements (continued)

For the year ended 31 March 2016

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### 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.

## Notes to Financial Statements (continued)

For the year ended 31 March 2016

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### ACCOUNTING POLICIES (continued)

#### 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

#### 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.

## ACCOUNTING POLICIES (continued)

### 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.

### 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.

### 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.

**Notes to Financial Statements (continued)**

For the year ended 31 March 2016

2. DONATIONS AND LEGACIES	Restricted Funds £	Unrestricted Funds £	Total 2016 £	Total 2015 £
Donations	111,762	1,600,924	1,712,686	1,729,989
Legacies	-	1,176,640	1,176,640	895,950
	111,762	2,777,564	2,889,326	2,625,939
	111,762	2,777,564	2,889,326	2,625,939

3. INCOME FROM CHARITABLE ACTIVITIES	Restricted Funds £	Unrestricted Funds £	Total 2016 £	Total 2015 £
Department of Health	163,539	-	163,539	147,948
Local authority contracts	139,169	1,230,081	1,369,250	1,333,381
Other charitable income	21,001	128,390	149,391	223,318
Education and training	25,218	18,621	43,839	13,201
	348,927	1,377,092	1,726,019	1,717,848
	348,927	1,377,092	1,726,019	1,717,848

**4. ANALYSIS OF GROUP EXPENDITURE**

	Direct Costs - Staff £	Direct Costs - Other £	Support Costs £	2016 Total £	2015 Total £
Cost of generating voluntary income	411,316	278,380	31,289	720,985	602,266
Fundraising trading:					
Trading company	524,690	574,181	102,247	1,201,118	1,177,123
Lottery company	36,241	172,585	4,046	212,872	148,637
Investment property expenses	-	3,189	-	3,189	4,319
<b>Charitable activities:</b>					
Services for adults	2,803,963	117,233	448,100	3,369,296	3,338,328
Services for children and young people	934,654	39,078	149,366	1,123,098	1,116,276
	4,710,864	1,184,646	735,048	6,630,558	6,386,949
	4,710,864	1,184,646	735,048	6,630,558	6,386,949

**Notes to Financial Statements (continued)**

For the year ended 31 March 2016

**5. ANALYSIS OF SUPPORT COSTS**

	<b>Support Premises £</b>	<b>Admin £</b>	<b>Finance and IT £</b>	<b>Governance £</b>	<b>2016 Total £</b>	<b>2015 Total £</b>
<b>Raising funds:</b>						
Cost of generating voluntary income	3,229	12,156	7,740	8,164	31,289	35,855
<b>Fundraising trading:</b>						
Trading company	3,160	76,470	19,482	3,135	102,247	81,248
Lottery company	-	-	1,169	2,877	4,046	4,667
Investment property expenses	-	-	-	-	-	-
<b>Charitable activities:</b>						
Services for adults	66,405	273,181	82,664	25,850	448,100	490,587
Services for children and young people	22,135	91,230	27,555	8,446	149,366	172,647
	<u>94,929</u>	<u>453,037</u>	<u>138,610</u>	<u>48,472</u>	<u>735,048</u>	<u>785,004</u>

Resources include costs of IT and premises.

**6. GOVERNANCE COSTS INCLUDE:**

	<b>2016 £</b>	<b>2015 £</b>
Staff costs	22,271	21,811
Auditor's remuneration: Audit work	15,027	15,023
Professional fees	11,174	5,670
	<u>48,472</u>	<u>42,504</u>

**7. NET EXPENDITURE FOR THE YEAR IS STATED AFTER CHARGING:**

	<b>2016 £</b>	<b>2015 £</b>
Amortisation – intangible fixed assets	-	-
Write off of intangible fixed asset	-	-
Depreciation of tangible fixed assets: - owned by the charitable group	236,355	231,191
Auditors' remuneration	9,629	11,024
Auditors' remuneration – subsidiaries	5,398	3,999
Auditors remuneration – other	-	-
	<u>-</u>	<u>-</u>

No expenses were reimbursed to Trustees in the current year ended March 2016 (2015: £nil). No Trustee received remuneration in the current or prior year.

**Notes to Financial Statements (continued)**

For the year ended 31 March 2016

**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:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Ellenor Lions Hospices Trading Limited</b>		
Turnover	1,402,322	1,467,214
Cost of sales	(172,384)	(192,658)
	<hr/>	<hr/>
Gross profit	1,229,938	1,274,556
Administrative expenses	(1,020,985)	(976,477)
	<hr/>	<hr/>
Operating profit	208,953	298,079
Interest receivable	76	370
Interest payable	(7,749)	(7,988)
	<hr/>	<hr/>
Gift aid donation to parent	201,280	290,461
	(224,462)	(295,909)
	<hr/>	<hr/>
	(23,182)	(5,448)
	<hr/> <hr/>	<hr/> <hr/>
<b>Net assets/ (liabilities)</b>	<b>(110,481)</b>	<b>(87,300)</b>
	<hr/> <hr/>	<hr/> <hr/>
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Ellenor Lions Hospices Lottery Company Limited</b>		
Turnover	371,138	367,672
Cost of sales	(113,955)	(118,207)
	<hr/>	<hr/>
Gross profit	257,183	249,465
Administrative expenses	(98,908)	(30,430)
	<hr/>	<hr/>
Operating profit	158,275	219,035
Interest receivable	129	593
Interest payable	(9)	-
	<hr/>	<hr/>
Gift aid donation to parent	158,395	219,628
	(158,395)	(218,664)
	<hr/>	<hr/>
	-	964
	<hr/> <hr/>	<hr/> <hr/>
<b>Net assets</b>	<b>12,610</b>	<b>12,610</b>
	<hr/> <hr/>	<hr/> <hr/>

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

**Notes to Financial Statements (continued)**

For the year ended 31 March 2016

**9. STAFF COSTS AND NUMBERS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Staff costs were as follows:</b>		
Salaries and wages	4,132,234	3,893,035
Social security costs	346,942	317,075
Pension contributions	228,838	223,276
Redundancy payments	2,850	-
	<u>4,710,864</u>	<u>4,433,386</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 £295,743 (2015: £278,997)

The number of employees whose emoluments for the year fell within the following bands were:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
£60,001-£70,000	1	1
£70,001-£80,000	1	1
£80,001-£90,000	1	1
£90,001-£100,000	-	-
£100,001-£110,000	-	-

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

These 3 above employees are accruing pension contributions totalling £34,125 (2015: £33,544)

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
The average number of employees during the year was as follows:		
Charitable activities	154	161
Finance and Admin	6	6
Fundraising	18	18
	<u>178</u>	<u>185</u>

**Notes to Financial Statements (continued)**

For the year ended 31 March 2016

**10. 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 2015	954,147	3,168,809	1,888,412	49,881	6,061,249
Additions	2,460	3,240	63,390	-	69,090
Disposals	-	-	(9,545)	-	(9,545)
<b>At 31 March 2016</b>	<b>956,607</b>	<b>3,172,049</b>	<b>1,942,257</b>	<b>49,881</b>	<b>6,120,794</b>
<b>Depreciation</b>					
At 1 April 2015	245,230	1,076,172	1,246,970	36,275	2,604,647
Charge for the year	14,307	77,799	133,593	10,656	236,355
Disposals	-	-	(9,545)	-	(9,545)
<b>At 31 March 2016</b>	<b>259,537</b>	<b>1,153,971</b>	<b>1,371,018</b>	<b>46,931</b>	<b>2,831,457</b>
<b>Net book value</b>					
At 31 March 2016	697,070	2,018,078	571,239	2,950	3,289,337
At 31 March 2015	708,917	2,092,637	641,442	13,606	3,456,602
<b>Charity</b>					
<b>Cost</b>					
At 1 April 2015	954,147	3,157,502	1,538,297	49,881	5,699,827
Additions	2,460	3,240	33,923	-	39,623
<b>At 31 March 2016</b>	<b>956,607</b>	<b>3,160,742</b>	<b>1,572,220</b>	<b>49,881</b>	<b>5,739,450</b>
<b>Depreciation</b>					
At 1 April 2015	245,230	1,067,943	1,068,433	36,275	2,417,881
Charge for the year	14,307	77,516	88,927	10,656	191,406
<b>At 31 March 2016</b>	<b>259,537</b>	<b>1,145,459</b>	<b>1,157,360</b>	<b>46,931</b>	<b>2,609,287</b>
<b>Net book value</b>					
At 31 March 2016	697,070	2,015,283	414,860	2,950	3,130,163
At 31 March 2015	708,917	2,089,559	469,864	13,606	3,281,946



**Notes to Financial Statements (continued)**

For the year ended 31 March 2016

**11. INVESTMENT PROPERTY**

<b>Group</b>	<b>Freehold Investment Property £</b>
<b>Valuation</b>	
At 1 April 2015	987,500
Disposals	-
Loss on disposal	-
Transfers from fixed assets	-
	<hr/>
<b>At 31 March 2016</b>	<b>987,500</b> <hr/> <hr/>

The above valuations are based on 2015 valuations made by a RICS Registered Valuer and are on an open market value for existing use basis. The Trustees consider that the value of investment properties, at 31<sup>st</sup> March 2016, is not materially different from the March 2015 valuation.

<b>Company</b>	<b>£</b>
<b>Cost</b>	
At 1 April 2015	987,500
Disposals	-
Loss on disposal	-
	<hr/>
<b>At 31 March 2016</b>	<b>987,500</b> <hr/> <hr/>

The above valuations are based on 2015 valuations made by a RICS Registered Valuer and are on an open market value for existing use basis. The Trustees consider that the value of investment properties, at 31<sup>st</sup> March 2016, is not materially different from the March 2015 valuation.

<b>INVESTMENTS: Group</b>	<b>2016 £</b>	<b>2015 £</b>
Market value at 1 April	13,397	13,051
Revaluations	(757)	1,346
Redemption of shares	-	(1,000)
	<hr/>	<hr/>
Market value at 31 March	<b>12,640</b> <hr/> <hr/>	<b>13,397</b> <hr/> <hr/>
Historical cost as at 31 March	<hr/> <hr/> <b>12,640</b> <hr/> <hr/>	<hr/> <hr/> <b>13,397</b> <hr/> <hr/>
<b>Analysis of investments</b>		
Unrealised value of shares held in equities listed on the London Stock Exchange	<hr/> <hr/> <b>12,640</b> <hr/> <hr/>	<hr/> <hr/> <b>13,397</b> <hr/> <hr/>

**Notes to Financial Statements (continued)**

For the year ended 31 March 2016

<b>11. INVESTMENT PROPERTY (continued)</b>	<b>Sub total brought forward</b>	<b>Shares in Group undertakings</b>	<b>Total</b>
<b>INVESTMENTS: Company</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Market Value</b>			
At 1 April 2015	13,397	2	13,399
Revaluations	(757)	-	(757)
<b>At 31 March 2016</b>	<b>12,640</b>	<b>2</b>	<b>12,642</b>

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.

<b>12. STOCKS</b>	<b>2016</b>		<b>2015</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Finished goods and goods for resale	27,283	-	27,913	-

<b>13. DEBTORS: amounts falling due within one year</b>	<b>2016</b>		<b>2015</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	125,000	-	125,000
<b>Due within one year</b>				
Trade debtors	41,372	41,372	46,418	107,320
Amounts owed by group undertakings	-	544,557	-	606,832
Other debtors	27,446	13,909	8,130	8,130
Prepayments and accrued income	423,999	328,427	662,909	493,544
	<b>492,817</b>	<b>928,265</b>	<b>717,457</b>	<b>1,215,826</b>

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.

<b>14. CREDITORS: amounts falling due within one year</b>	<b>2016</b>		<b>2015</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loan/ overdraft	11,500	11,500	1,503	-
Net obligations under finance leases and hire purchase contracts	-	-	1,742	1,742
Trade creditors	249,355	190,037	191,413	151,177
Other taxes and social security	82,599	82,599	83,202	83,202
Other creditors	104,185	39,729	186,532	103,372
Accruals and deferred income	166,995	114,032	79,435	73,987
	<b>614,634</b>	<b>437,897</b>	<b>543,827</b>	<b>413,480</b>

**Notes to Financial Statements (continued)**

For the year ended 31 March 2016

The bank loan in 2016 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 company was committed to make the following payments in total in respect of operating leases.

Group	Equipment		Land and buildings	
	2016 £	2015 £	2016 £	2015 £
<b>Leases which expire:</b>				
Within one year	46,413	60,784	223,324	211,324
Within two to five years	47,296	87,166	696,789	741,546
Greater than 5 years	-	-	237,000	316,568
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Charity</b>				
<b>Leases which expire:</b>				
Within one year	33,582	43,493	-	-
Within two to five years	43,761	70,800	456,363	456,363
Greater than 5 years	-	-	700,750	700,750
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**16. ANALYSIS OF GROUP NET ASSETS**

	Restricted Funds £	Designated Funds £	General Funds £	Total Funds £
Fixed assets	1,011,771	2,118,392	1,159,314	4,289,477
Current assets	880,000	-	736,038	1,616,038
Current liabilities	-	-	(614,634)	(614,634)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net assets at 31 March 2016	1,891,771	2,118,392	1,280,718	5,290,881
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**Notes to Financial Statements (continued)**

For the year ended 31 March 2016

17. ANALYSIS OF FUNDS	Balance 1 April £	Income £	Expenditure £	Investment £	Balance 31 March £
<b>Unrestricted funds:</b>					
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
<b>Total unrestricted funds</b>	<b>3,543,578</b>	<b>5,973,734</b>	<b>(6,098,345)</b>	<b>(757)</b>	<b>3,418,210</b>
<b>Restricted funds:</b>					
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>	-	12,463	(12,463)	-	-
CIN – <i>Music Therapist</i>	-	-	-	-	-
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 – <i>Counselling</i>	-	15,000	(15,000)	-	-
Various Trust Income	-	84,299	(84,299)	-	-
Various Charitable Income	-	185,388	(185,388)	-	-
<b>Total restricted funds</b>	<b>1,944,195</b>	<b>460,689</b>	<b>(532,213)</b>	<b>-</b>	<b>1,872,671</b>
<b>Group total</b>	<b>5,487,773</b>	<b>6,434,423</b>	<b>(6,630,558)</b>	<b>(757)</b>	<b>5,290,881</b>

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 2015/16 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.

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.

**Notes to Financial Statements (continued)**

For the year ended 31 March 2016

**18. 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 administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £228,838 (2015: £226,247).

**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**

	2016		2015	
	Group £	Charity £	Group £	Charity £
<b>Net income/(expenditure)for the year</b>	(196,892)	(173,708)	233,138	237,619
Add back depreciation charge	236,355	191,406	231,191	199,508
(Gain)/ loss on investments	757	757	(403,846)	(403,846)
Decrease (increase) in stocks	630	-	(2,441)	-
Decrease (increase) in debtors	224,640	287,561	(429,358)	(232,050)
Increase (decrease) in creditors	70,807	24,417	20,964	12,813
Net cash used in operating activities	<u>336,297</u>	<u>330,433</u>	<u>(350,352)</u>	<u>(185,956)</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 2016 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 £160,285 and £4,816 respectively

There were no other outstanding balances with related parties as at 31 March 2016 (2015: £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.

**Notes to Financial Statements (continued)**

For the year ended 31 March 2016

**24. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (2015):**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2015 £
<b>INCOME FROM:</b>				
Donations and legacies	2	412,122	2,213,817	2,625,939
Charitable activities <i>Services for families facing terminal illness</i>	3	143,389	1,574,459	1,171,848
Other trading activities <i>Charity retail shops and lottery</i>		-	1,834,576	1,834,576
Investments		-	19,854	19,854
Other		-	18,024	18,024
<b>Total income</b>		<u>555,511</u>	<u>5,660,730</u>	<u>6,216,241</u>
<b>EXPENDITURE ON:</b>				
Raising funds <i>Fundraising and trading activities</i>	4	-	1,928,026	1,928,026
Charitable activities <i>Services for families facing terminal illness</i>	4	249,371	4,205,233	4,454,604
Other		-	4,319	4,319
<b>Total expenditure</b>	4	<u>249,371</u>	<u>6,137,578</u>	<u>6,386,949</u>
Net gains/(losses) on investments		-	403,846	403,846
<b>Net income</b>	7	<u>306,140</u>	<u>(73,002)</u>	<u>233,138</u>
<b>Transfers between funds</b>		-	-	-
<b>Other recognised gains/(losses)</b>		-	-	-
<b>Net movement in funds</b>		<u>306,140</u>	<u>(73,002)</u>	<u>233,138</u>
Funds brought forward		<u>1,638,055</u>	<u>3,616,580</u>	<u>5,254,635</u>
Funds at 31 March 2015		<u><u>1,944,195</u></u>	<u><u>3,543,578</u></u>	<u><u>5,487,773</u></u>