

ELLENORLIONS HOSPICES
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

Registered Company Number: 06302132
Registered Charity Number: 1121561

ELLENORLIONS HOSPICES
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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ELLENORLIONS HOSPICES
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LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2013

Charity Name	EllenorLions Hospices
Status	EllenorLions is a charitable company limited by guarantee Its governing document is a Memorandum and Articles of Association dated 4 th July 2007
Incorporation and History	EllenorLions Hospices was incorporated on 4 th July 2007 and commenced operation on the 1 st November 2007 following the merger of the activities of the Ellenor Foundation and the Lions Hospice.
Charity Registration Number	1121561
Company Registered Number	06302132
Principal Office and Registered Address	Coldharbour Road, Northfleet, Gravesend, Kent, DA11 7HQ
Website	www.ellenorlions.org
Subsidiaries	<p>EllenorLions 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 activities of Ellenor Lions Hospices Lottery Company are to raise funds for the charity through the administration of a Lottery.</p> <p>The operating profits of both Ellenor Lions Hospices Trading Limited and Ellenor Lions Hospices Lottery Company are gift aided to the charity at year end.</p>
Trustees serving during the year:	Chris Tait (Chair) Colin Smith (Company Secretary) Colin Dudley Val Elms John Hougham CBE Dr Anne Palmer Barry Palmer John Pooley David Rolls Mary Saunders Dinah Williams Maurice Tutty Mark Lumsdon-Taylor Dr Shashi Auckloo

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LEGAL AND ADMINISTRATIVE INFORMATION (continued)

FOR THE YEAR ENDED 31 MARCH 2013

Trustees appointed during the year and since year end are:

Mark Lumsdon-Taylor and Dr Shashi Auckloo were appointed (AGM on 23rd July 2012)

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

Barry Clarke resigned (AGM on 23rd July 2012).

Dr Anne Palmer, John Pooley, David Rolls and Barry Palmer all retired and were re-elected.

Senior Management

Chief Executive: Carol Stone
Director of Patient Care: Claire Cardy
Director of Fundraising: Rachel Holweger
Director of Finance & Resources: Tim Hammond

External Auditors

haysmacintyre, Fairfax House, 15 Fulwood Place,
London, WC1V 6AY

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 2013

CHAIR'S INTRODUCTION

On behalf of the Trustees it gives me great pleasure to introduce the charity's *Trustees' Annual Report*, which sets out for our supporters and the general public the achievements of our charity and our future plans. It has been an active year, one where we have continued to develop our charitable work. These improvements are detailed in the Achievements and Public Benefit section of this report.

We are encouraged that despite a difficult financial climate, EllenorLions managed its resources well controlling expenditure and raising enough income to increase and improve our much needed care services. Further detail of this is covered in our Financial Review section. Amongst the many achievements in the year, it is worth highlighting some of the following key areas that improved the quality of the service we delivered:

- One of our key strategic aims is to enable more patients to achieve their preferred place of care, and to be able to die in their chosen setting. Patient choice is a key driver for the care we provide. During the year around 86% of patients under our care were able to die in their place of choice in comparison to 32% nationally. Our aim is to lead the spread of good practice to enable more people in our wider community to achieve their preferred place of care. We have a number of service developments underway to continue to help us achieve this. These are detailed in the Future Plans section of this report.
- We continued to successfully implement and further develop an End of Life Crisis Support pilot project. The service provides practical care and emotional support in the home when an individual is deemed to be at the end of life and where a crisis has occurred which, without this service, would normally result in hospital admission. During the year, 196 patients received this service. It has shown a great deal of success in avoiding hospital admission with 100% of professionals referring to the service stating they felt it enabled their patients to stay out of hospital.
- The organisation has a strong track record of working in partnership with colleagues from other health and social care organisations. Throughout the year we continued to adopt a collaborative approach in order to enhance the quality of care we can give to patients and families. We do this through joint working and communicating effectively with other agencies and professionals. The feedback below shows quotes from colleagues who refer into our services, such as district nurses and GPs:

"The service has complemented our own service and we have worked well together to ensure the patient / family have the best experience possible. Thank you."

"Your services are excellent – I have used your out of hours and weekend service for advice."

These achievements and the others mentioned within this report would not have been possible without the continuing hard work and commitment of our staff and fantastic volunteers. We would not be able to provide this level of total hospice care without the support, enthusiasm and loyalty of our hard-working volunteers. During the year the charity employed an average of 175 staff and had the help of approximately 600 volunteers. We are extremely fortunate to have so many long serving volunteers, just under half, 49%, have supported the charity for over 5 years or more. We estimate that the value of the time our volunteers give to the organisation each year is worth over £375,000.

On behalf of the Trustees and Senior Management I would like to thank our local community, donors, sponsors and funders for their continued support. Without this involvement we would not have been able to provide total hospice care in the home and hospice for 1,917 adults and children during the year or have provided care, compassion and support to their families.

ELLENORLIONS HOSPICES
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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

EllenorLions Hospices 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 Senior 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 hospice 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. This year a revised Risk and Governance Committee was established, to provide a forum for regularly reviewing the Risk Register and identifying the priorities to improve. This committee reports to the main Board regularly and the full Risk Register is presented annually or anytime a trustee requests it.

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 Committee
- Finance and Investment Committee
- Risk and Governance Committee
- Shops and Lottery Board
- IT Strategy Committee
- Pay and Conditions of Service

All the 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.

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 2012, 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 line management structure.

The Board is confident that the treatment and care provided by the Hospice is of high quality and is cost effective.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2013

OBJECTIVES, ACTIVITIES AND PUBLIC BENEFITS

Objectives

EllenorLions Hospices main aim during the year was to continue to have activities that support the view that everyone in need should be enabled, by good palliative care, to enjoy the best quality of life possible and to die in the manner and place of their choosing.

EllenorLions mission is to lead and co-ordinate the development of services, offering the best care for people approaching the end of life and where appropriate to provide a comprehensive, high quality hospice service for children, adults and young people.

Care is provided:

- for **all ages**, from the very young to the very old
- for **all diagnoses** – not just for cancer
- to support **all needs**, physical, practical and spiritual
- in **all places**, at home, hospital, care home or hospice
- to **all concerned**, patients, carers and families

EllenorLions Values are:

- **Patient Centred**....patient care and family support is the motivation for and focus of all that we do.
- **Professional Approach**....the very highest standards in all that we do.
- **Compassionate Attitude**....unconditional kindness and caring in all that we do.
- **Team Ethos**....respect for our internal & external colleagues, and a commitment to partnership working.

Activities

The main focus of EllenorLions Hospices work that incorporates these objectives and values are to:

- provide symptom management through our specialist palliative care, multidisciplinary teams of doctors, nurses and other professionals.
- provide information, delivered skilfully in a clear manner to assist individuals make decisions and choices.
- offer advocacy support to help to make choices reality.
- provide social, emotional and spiritual support and advice for patients, families and carers.
- offer counselling and bereavement care both for individuals and family members and carers.
- seek to coordinate services provided with partner agencies to improve equality of access to palliative care at the end of life.
- offer advice, care and support across all settings and all ages, 24/7.
- offer education and training, advice and support for health and social care professionals.
- provide public information to raise awareness of end of life issues, choices and the care and support available.
- seek to influence End of Life and Palliative Care policy locally and nationally,
- share expertise internationally to influence and support emerging palliative care organisations.
-

Ensuring our work delivers our aims

Our aims are embedded in a strategic document that is available and has been communicated to all the organisations' key stakeholders. Departmental and individual aims and objectives are managed so that they are aligned to the organisations overarching strategic objectives. Trustees and senior managers regularly review the outcomes of the charity's key activities during the year to ensure they meet our stated purposes and implementing corrective action where necessary. Qualitative and quantitative data is reported and analysed on a regular basis, internally and externally, to ensure aims are being delivered. Feedback is actively sought from users and supporters of the services to support reporting outcomes.

ELLENORLIONS HOSPICES
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TRUSTEES' REPORT (continued)

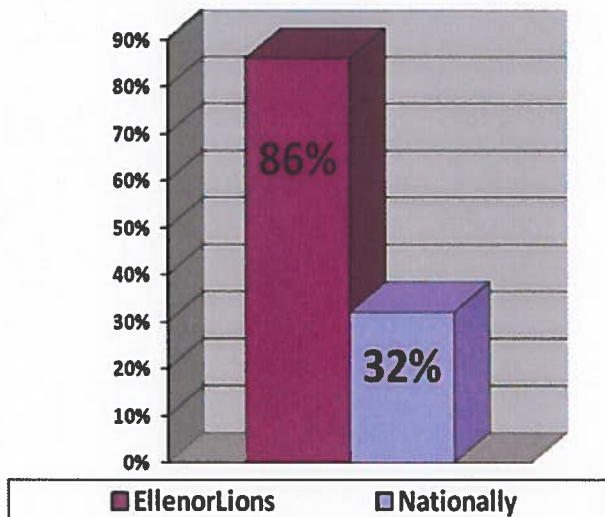
FOR THE YEAR ENDED 31 MARCH 2013

OBJECTIVES, ACTIVITIES AND PUBLIC BENEFITS (continued)

How our activities deliver public benefit

Our patients are able to die in a manner and place of their choosing

One of our main objectives is to ensure everyone in our community enjoys the best quality of life possible and is able to die in the manner and place of their choosing. The Hospice neither accelerates nor delays the natural process of dying. We review all deaths and compare against the patient's stated preference. This shows that 86% of patients known to our hospice services are able to die in their preferred place, which compares extremely favourably with the estimated national average figure of 32% for all deaths. (Source: *National End of Life Care Intelligence Network, 2010*).



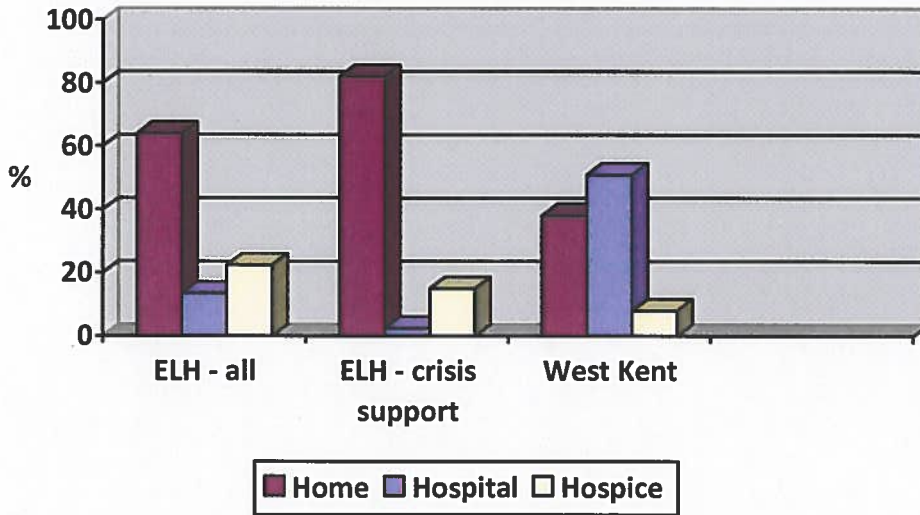
Preferred Place of Care achieved (%) at death – adult patients Year Ended 31st March 2013

Providing total hospice care and reducing hospital admissions

During the year 64% of all our patients died at home (including care homes). For patients receiving our End of Life Crisis Support service, this number rose to 82%. This percentage compares favourably to West Kent Primary Care Trust own data, where the figure for patients dying at home is 38%. Of all the patients we cared for during the year, only 13% died in hospital and this reduces to 2.5% for patients receiving our Crisis Support care. This percentage is favourable to national data which indicates that 51% of adult patients died in hospital, in the West Kent Primary Care Trust area. (Source: *National End of Life Care Intelligence Network*). These successful outcomes demonstrate that patients receiving our total hospice care are much more likely to die at home and much less likely to die in hospital.

OBJECTIVES, ACTIVITIES AND PUBLIC BENEFITS (continued)

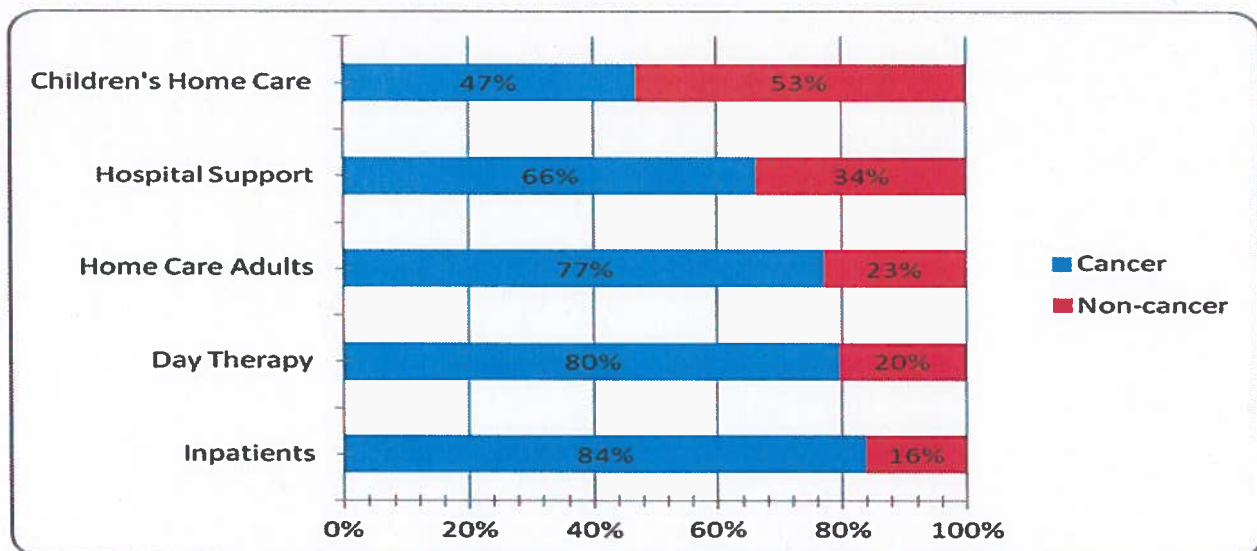
Providing total hospice care and reducing hospital admissions



Place of death – adult patients Year Ended 31st March 2013

Total Hospice Care for all ages and all diagnoses, 24/7, 365 days a year

Our strategic aim is to provide care for all ages, all ethnicity, when needed in our local community, which is free at the point of use. During the year we cared for 1,917 patients. Our specialist hospital support team had 816 patients during the year, of which 34% had non-cancer diagnosed conditions in comparison to a national average of 20%.



% Cancer and Non-Cancer diagnosis – total patients Year Ended 31st March 2013

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2013

OBJECTIVES, ACTIVITIES AND PUBLIC BENEFITS (continued)

Total Hospice Care for all ages and all diagnoses, 24/7, 365 days a year

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The beneficiaries are persons of any age suffering from life limiting or life threatening conditions, terminal illness or intractable pain. The charity does not exclude or give priority on any basis other than medical and social need.

ACHIEVEMENTS

Adult and Children Clinical Services

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:

- We provided specialist palliative care to 935 adult patients in their own homes compared to 865 adults in the previous year.
- All year round we admitted and cared for 283 patients in our bedded unit in Gravesend, in the previous year this was 280. Our bed occupancy was 92% against a national average of 73%.
- Our specialist bereavement service, helping families to find inner strength, with 1,282 people receiving counselling help and bereavement support.
- Our total hospice service for Children and Young People in their homes provided care for 154 patients (2012: 126) involving 2,206 home and school visits.
- 198 of our patients had specialist physiotherapy during the year to help them have a better quality of life.
- Our hospital specialist palliative team cared for 816 patients

Education and Training

We run a varied training programme, covering statutory and mandatory topics, as well as specialist courses in palliative and end of life care, sharing our knowledge with others to improve care across all settings.

During 2012-13 we successfully secured NHS funding to provide training on a wide range of End of Life Care issues and skills. This enabled us to run a number of education programmes to external delegates, sharing our expertise and experience in this field. Delegates we trained included staff working in care homes, community, domiciliary carers and professionals from dementia and learning disability teams.

Here are a few quotes from our delegates:

"I now feel more confident to discuss end of life care with residents and their families"

"It's so difficult to select the aspect that was most beneficial to me, as I found every aspect invaluable"

"I really feel this training has helped me to be brave enough to talk to clients and relatives about dying"

"I feel inspired to improve my own practice"

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2013

ACHIEVEMENTS (continued)

Care Home Services

This team of experienced nursing staff has been working in Care Homes (both nursing and residential) in the local area, to support staff in caring for their residents who are approaching the end of life.

There are over 900 beds locally in care homes so the scope is huge to make a real difference with this group of people at the end of life. With the ageing population, more elderly people will live in a care home at the end of their life, so it is important that staff are adequately equipped to provide the care that is needed. During 2012-13, 173 care home residents were referred to the team and general advice has been offered to assist in the care of very many others. During this period, 145 residents died, of whom 135 (93%) died in their usual place of residence (i.e their care home, surrounded by everything that is familiar to them).

We have also been working in partnership with the local Commissioner for Dementia Services with a Hospital Admission Avoidance project. Joint work is ongoing in homes which had high rates of A&E attendances. This has helped identify some root causes, particularly poor decision-making and lack of confidence in diagnosing dying, which can result in residents at the end of life being transported to hospital and consequently dying in A&E, contrary to their preferred place of care. The project has so far resulted in a significant reduction in A&E attendances from care homes.

A big part of the work is around education and training, helping care homes staff to develop the confidence to provide the best care, in topics such as holding difficult conversations, recognising when someone is dying, and pain and symptom management. We are implementing the Six Steps to Success programme, which not only delivers a training package to care homes staff, it includes an implementation plan and management support to ensure that what has been learnt can be put into practice within the home.

This is a quote from the manager at a care home:

"Since the EllenorLions Care Home Team became involved with our end of life residents, we now know the difference between a 'bad' death (with pain and struggling) and a 'good' death. It's enabled us to keep our residents here at home until they die and we no longer send them to hospital at the end. Although we feel the loss of our residents, we feel confident that we give good care."

FINANCIAL REVIEW

The economic environment in which the charity operated during the year remained difficult and challenging. Despite a background where austerity is biting, cuts are impacting our local community incomes and demand for our services is growing, the hospice remained remarkably resilient. The trustees were particularly pleased in the stewardship of the charity to respond and adapt flexibly to these challenges, along with the continued help and generosity of our supporters.

During the year, the net funds raised from the general public, corporate, trusts, grants, local government & commissioning groups, and through our network of shops, to fund our services mentioned, was just under £4.1 million. All of this income, and a small amount from reserves were used in the current year.

EllenorLions and subsidiaries group net position at the end of the financial year amounted to a deficit of £200,340. This deficit was below the previous year's net surplus of £49,926 and the budgetary deficit of £128,894. The charity deficit was expected due to the timing of net incoming returns from an approved £250,000 investment fund to develop fundraising and trading activities. The majority of the finance raised to fund these activities came from a secured loan on two of the charity's investment properties. This loan is for 2 years and repayable in August 2014. The loan raised £192,500; the remaining £57,500 was raised from part of the sale proceeds of the charity's two other freehold investment properties. The remaining property proceeds will be used to improve working capital of the charity. During the year some of the investment expenditure was spent on Lottery (trailing differing income stream initiatives), shops (refurbishment) and improving fundraising systems (database development).

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2013

FINANCIAL REVIEW (continued)

Income

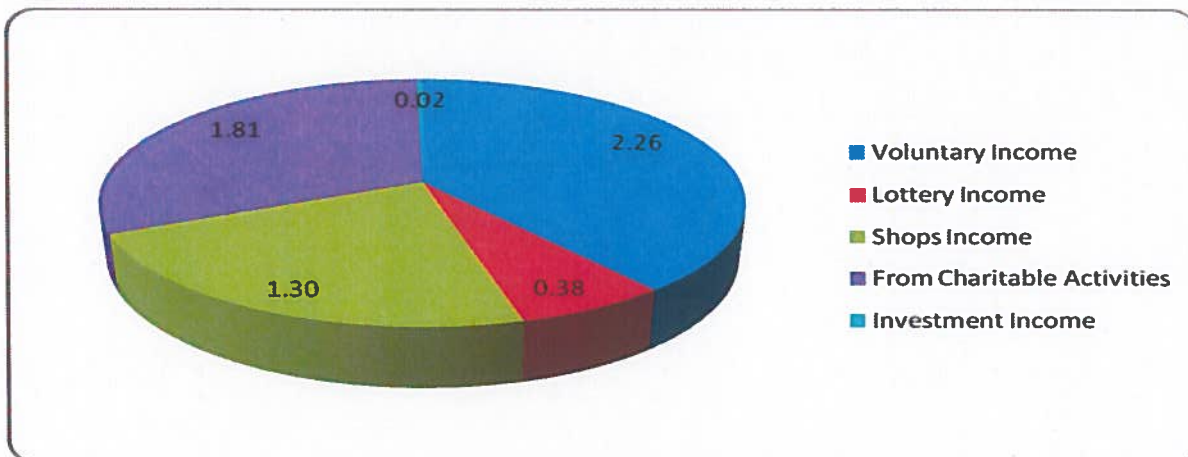
This year 69% (2012: 70%) of our total income was through voluntary income, shops, lottery and legacies. The remaining 31% came from charitable activities and investments, including grant in aid funding from the NHS West Kent, local authorities and Primary Care Trusts.

The total group incoming fund for the year of £5,789,002 was down on the previous year by £105,410. This difference was mainly due to a decline in voluntary income of £78,594. One of the areas of fundraising income that was below previous year was our corporate donations. Despite some fantastic support from companies in our local community we were not able to replicate the income support of the previous year. Some of this corporate support came from companies able to give us their staff time and expertise.

We have a strategy to improve the net funds from voluntary income to enable the charity to flexibly fund the continual development of its services and to be sustainable to meet the future growing demands for our services.

An operating profit of £519,268 (2012: £589,794) was received from our trading activities. The aim of our trading activities is to generate net surpluses to help fund our care; net surpluses from our trading activities are gift aided to the charity at the end of each year. The trading activities are undertaken through two of our subsidiaries; Ellenor Lions Hospices Trading Limited and Ellenor Lions Hospices Lottery Company Ltd. The largest of these trading activities is our network of 13 shops which generated an operating profit for the year to the charity of £364,435 (2012: £412,794). The main reason for the decline in profit was the write off of an intangible fixed asset of £54,537. The remaining £154,833 (2012: £177,000) operating profit came from our lottery.

The balance of £1,807,395(2012: £1,785,307) income came from charitable activities and investments. One of our key funding partners during the year was NHS West Kent.



Group Income by Source (£m) - Year Ended 31st March 2013

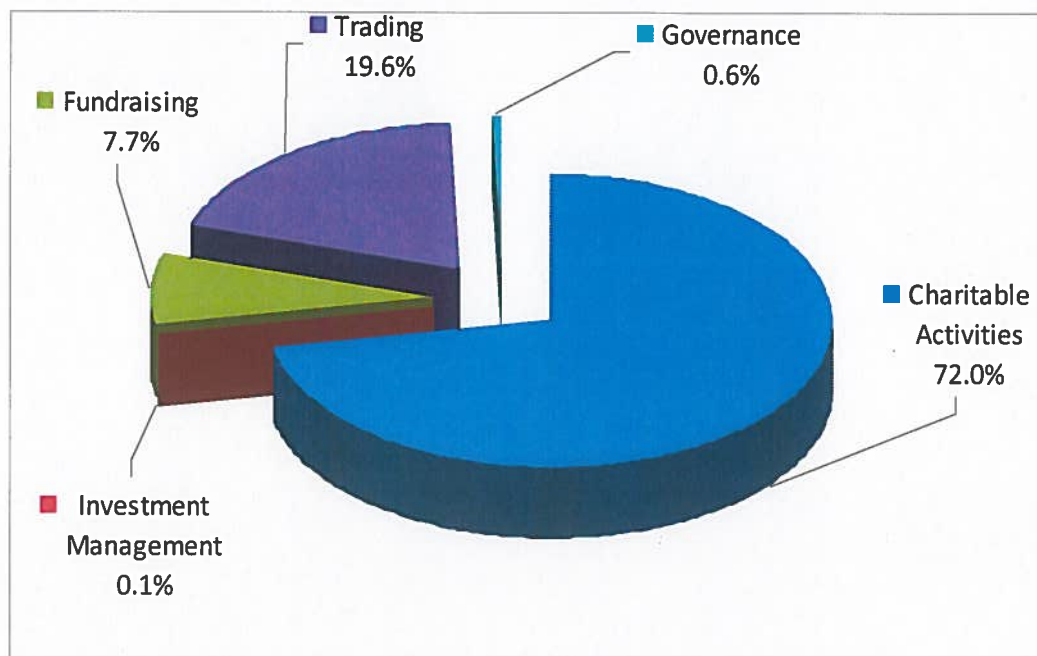
Expenditure

The Trustees are pleased to be able to report that the charity did well in its stewardship and control of expenditure. Of the £114,983 increase in total resources expended in comparison with the previous year, £70,570 was spent on an increase in charitable activities. The majority of this increase was in our Children and Young People Services required to support the service demands for our pioneering hospice at home service in West Kent. For non-charitable expenditure we made efficiency savings to help us improve cost effectiveness in our support functions and fundraising activities.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2013



Group Expenditure Spend by Type (%) - Year Ended 31st March 2013

RESERVE 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 receiving of certain elements of this type of income, such as legacies & general donations, can be hard to predict and forecast, therefore the charity requires cash reserves to maintain working capital and smooth out these fluctuations.

Although the cash reserves of the charity declined from £1,051,864 to £174,814 during the year, this was mainly due to the NHS West Kent Grant-in-Aid funding for the year ending March 2013 being received in March 2012. Funding for year ending March 2014 was received in May 2013. On a like for like basis the charity's end of year cash reserves rose by £372,950. This increase was mainly a result of the sale of two of the charity's investment properties and a secured loan. The charity has three freehold investment properties valued at £585,000 as at 31st March 2013.

Increasing our free reserves to 6 months operating costs cover remains a key strategic objective for the charity over the next 5 years. This will be mainly achieved through the prioritisation, investment and development of our fundraising and trading activities, ensuring we continue to maximise our returns on investment and improve our cost effectiveness.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2013

FUTURE PLANS

We have developed and communicated to our key stakeholders a 5 year strategic plan from 2013 to 2018. This plan is aligned to our vision that everyone in our communities, in need of Palliative Care, receives a high standard of service, to enable them to enjoy the best possible quality of life and that *'the last days are not lost days.'*

This strategic plan centres on our mission to influence, develop and coordinate a multi agency seamless service for those approaching the end of life and where appropriate to provide a comprehensive, high quality hospice care service for children, young people and adults.

We aim to achieve this strategy by having objectives that are focused on three main areas:

- EllenorLions in the role of Specialist Provider
- EllenorLions in the role as Palliative Care Lead/Coordinator
- The development of EllenorLions funding and resources to enable the core business of care and support to be sustained

EllenorLions in the role of Specialist Provider

Some of the ways we can achieve this is by extending and developing our services that support patients and families to remain in their homes at the end of life. Ensuring funding is in place to enable us to extend our full hospice at home service so it is available across the whole of our geographical area for all children and families who need it. We also want to extend our successful End of Life Crisis support service that has helped reduce hospital admissions and allowed our patients to be cared for and to die in a place of their choosing.

We plan to develop and improve the quality and outcomes of our specialist services throughout the organisation. We want to continue develop to ensure that our documentation standards are maintained and we have full compliance with Care Quality Commission standards. We continue to involve patients and families' so that their views inform and influence service development. EllenorLions Hospices is required to register with the Care Quality Commission (CQC) and was last inspected by the CQC at the end of March 2013. The Care Quality Commission has not taken any enforcement action against EllenorLions Hospices during 2012/13. There was a minor area of improvement required by CQC, regarding record keeping, this will be addressed by the charity as a priority in the coming year.

We believe our transition Service has the potential to become a regional resource supporting young people from a wider geographical area. A steering group will oversee the development of this area of our strategy, and we are making links with learning disabilities teams in order to develop opportunities for joint initiatives. We are starting to identify the referral and assessment criteria for young people under our adult service, and to develop better promotional materials for our various transition services, such as the youth groups and admissions to the inpatient unit, where appropriate, for those aged 14 and over.

We will also continue to develop our success working with key partners such as the Clinical Commissioning Groups, hospitals, health & social care providers, local authorities, other charities and our local HealthWatch.

EllenorLions in the role as Palliative Care Lead/Coordinator

We feel we best achieve this is through the extension and further development of our carer support and care home work. We have a 2018 target to ensure that an effective service exists for carers in our locality. We will develop carer drop-in sessions to help support this, as well as continued participation in national research projects into assessment of carers' support needs. We want to ensure care homes meet appropriate standards required for providing end of life care. We will continue to develop our expertise in education and training in care homes to help facilitate this. We want to extend this across multi-agencies to ensure that patients receive quality end of life care wherever they are. We plan to extend our GP training provision to facilitate this. We believe that these, other objectives and raising awareness of end of life issues will enable us to be effective as the coordinating organisation for palliative and end of life care locally.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2013

FUTURE PLANS (continued)

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

We need to ensure that we maximise our net income from our fundraising, trading and investment activities. We have a new Director of Fundraising, Rachel Holweger, who is implementing a fundraising strategy to develop and improve net returns to help us meet our 5 year financial strategy. This includes developing the potential of our events programme, lottery campaign and major donations.

We are also planning to invest in new shops and further develop the net contribution from our existing portfolio.

We plan to continue to develop Staff and Volunteers, an important and valuable resource for the charity. We aim to continue to improve our training resources, recruitment and conditions to ensure that we are fit for purpose to meet the needs of a developing charity and the external environment in which we operate.

We want to continue to develop our infrastructure of facilities and systems. A priority objective is to continue to seek funding to complete the improvement of our IT infrastructure over the next two years. This will enable us to have systems and processes that deliver performance, capacity and stability. We have ambitious plans to develop our facilities to provide an improved environment for our patients, their families, staff and volunteers. Part of these improvements is the refurbishment of our patient bathroom facilities and climate control, funded by a Department of Health capital fund for the year 2013/14.

RISK MANAGEMENT

The Trustees monitor and identify the main risk areas the charity faces and regularly review all activities of the organisation to mitigate the impact on the charity and the achievements of its objectives in the future.

STATEMENT OF TRUSTEE RESPONSIBILITIES

The Trustees (who are also directors of EllenorLions 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.

ELLENORLIONS HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2013

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.

This report was approved by the Trustees on 29 July 2013 and signed on their behalf, by:


.....
C Tait

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

We have audited the financial statements of EllenorLions Hospices for the year ended 31 March 2013 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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and group's affairs as at 31 March 2013 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.

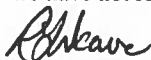
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report 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

Fairfax House
15 Fulwood Place
London WC1V 6AY

..29 August..... 2013

ELLENORLIONS HOSPICES
(A company limited by guarantee)

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

FOR THE YEAR ENDED 31 MARCH 2013

INCOMING RESOURCES	Note	Restricted funds £	Unrestricted funds £	Total 2013 £	Total 2012 £
Incoming resources from generated funds:					
Voluntary income	2	39,506	2,217,142	2,256,648	2,335,242
Activities for generating funds:					
Trading company	3	-	1,303,658	1,303,658	1,322,959
Lottery company	3	-	380,258	380,258	406,330
Catering services		-	21,293	21,293	19,418
Investment income	4	-	19,750	19,750	25,156
Incoming resources from charitable activities	5	139,752	1,667,643	1,807,395	1,785,307
TOTAL INCOMING RESOURCES		179,258	5,609,744	5,789,002	5,894,412
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	6	-	463,843	463,843	476,946
Fundraising trading:					
Trading company	3	-	947,601	947,601	883,314
Lottery company	3	-	225,464	225,464	229,330
Investment property expenses		-	6,787	6,787	8,778
Charitable activities:					
Services for adults		26,706	3,375,185	3,401,891	3,401,641
Services for children and young people		169,127	737,477	906,604	836,284
Governance costs		-	34,656	34,656	35,570
TOTAL RESOURCES EXPENDED	9	195,833	5,791,013	5,986,846	5,871,863
NET (RESOURCES EXPENDED)/ INCOMING RESOURCES BEFORE INVESTMENT GAINS/(LOSSES)					
		(16,575)	(181,269)	(197,844)	22,549
Loss on disposal of investment property	14	-	(4,125)	(4,125)	-
Gains and losses on revaluations of investment assets	15	-	1,629	1,629	27,377
NET MOVEMENT IN FUNDS FOR THE YEAR		(16,575)	(183,765)	(200,340)	49,926
Total funds at 1 April 2012		756,100	3,673,287	4,429,387	4,379,461
TOTAL FUNDS AT 31 MARCH 2013	20	739,525	3,489,522	4,229,047	4,429,387

The unrestricted funds above include designated funds of £2,285,798.

All activities relate to continuing operations.


The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2013

	Note	2013		2012	
		£	£	£	£
FIXED ASSETS					
Intangible assets	12		-		58,433
Tangible assets	13		3,067,130		3,215,462
Investment property	14		585,000		745,000
Investments	15		12,693		11,064
			<u>3,664,823</u>		<u>4,029,959</u>
CURRENT ASSETS					
Stocks	16	22,621		29,680	
Debtors	17	335,394		201,283	
Cash at bank and in hand		852,739		1,744,890	
			<u>1,210,754</u>		<u>1,975,853</u>
CREDITORS: amounts falling due within one year	18	(450,662)		(1,566,122)	
NET CURRENT ASSETS			<u>760,092</u>		<u>409,731</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,424,915</u>		<u>4,439,690</u>
CREDITORS: amounts falling due after more one year	19		(195,868)		(10,303)
NET ASSETS			<u>4,229,047</u>		<u>4,429,387</u>
CHARITY FUNDS					
Restricted funds	21		739,525		756,100
Unrestricted funds:					
Designated funds	21		2,285,798		-
General funds	21		1,203,724		3,673,287
			<u>4,229,047</u>		<u>4,429,387</u>

The financial statements were approved and authorised for issue by Trustees on 29 July 2013 and were signed on their behalf by:


.....
C J Tait
Chairman


The accompanying notes form part of these financial statements.

COMPANY BALANCE SHEET

AS AT 31 MARCH 2013

	Note	2013		2012	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13		3,010,323		3,113,816
Investment property	14		585,000		850,000
Investments	15		12,695		11,066
			<u>3,608,018</u>		<u>3,974,882</u>
CURRENT ASSETS					
Stocks	16	-		2,278	
Debtors	17	779,224		720,748	
Cash at bank and in hand		174,814		1,051,864	
		<u>954,038</u>		<u>1,774,890</u>	
CREDITORS: amounts falling due within one year	18	(273,575)		(1,407,308)	
NET CURRENT ASSETS			680,463		367,582
NON-CURRENT ASSETS	17		125,000		125,000
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,413,481</u>		<u>4,467,464</u>
CREDITORS: amounts falling due after more one year	19		(195,868)		(10,303)
NET ASSETS			<u>4,217,613</u>		<u>4,457,161</u>
CHARITY FUNDS					
Restricted funds	21		739,525		756,100
Unrestricted funds:					
Designated funds	21		2,285,798		-
General funds	21		1,192,290		3,701,061
			<u>4,217,613</u>		<u>4,457,161</u>

The financial statements were approved and authorised for issue by Trustees on 29 July 2013 and were signed on their behalf by:


.....
C J Tait
Chairman

The accompanying notes form part of these financial statements.

ELLENORLIONS HOSPICES
(A company limited by guarantee)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 £	2012 £
Net cash (outflow)/inflow from operating activities	22	(1,211,450)	1,409,714
Capital expenditure and financial investment	23	134,816	(167,360)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		<u>(1,076,634)</u>	<u>1,242,354</u>
Financing	24	189,072	17,172
(DECREASE)/INCREASE IN CASH IN THE YEAR		<u>(887,562)</u>	<u>1,259,526</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT)/FUNDS			
(Decrease)/Increase in cash in the year		(887,562)	1,259,526
Cash (inflow) from increase in debt and lease financing		(189,072)	(17,172)
MOVEMENT IN NET (DEBT)/FUNDS IN THE YEAR		<u>(1,076,634)</u>	<u>1,242,354</u>
Net funds at 1 April 2012		1,718,307	475,953
NET FUNDS AT 31 MARCH 2013	24	<u>641,673</u>	<u>1,718,307</u>

The accompanying notes form part of these financial statements.

ELLENORLIONS HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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 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.

ELLENORLIONS HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

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 Ellenorlions 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 £239,548 (2012: £67,001 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.

ELLENORLIONS HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are included in the balance sheet and their open market value in accordance with Statement of Standard Accounting Practice No. 19 and 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

	Restricted funds £	Unrestricted funds £	Total funds 2013 £	Total funds 2012 £
Donations	39,506	1,578,131	1,617,637	1,650,012
Legacies	-	639,011	639,011	685,230
	<u>39,506</u>	<u>2,217,142</u>	<u>2,256,648</u>	<u>2,335,242</u>

ELLENORLIONS HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

3. TRADING ACTIVITIES

EllenorLions Hospices has two subsidiaries. A summary of the results of the subsidiaries as at 31 March 2013 are shown below:

	2013 £	2012 £
Ellenor Lions Hospices Trading Limited		
Turnover	1,303,658	1,322,959
Cost of sales	(159,637)	(172,294)
Gross profit	1,144,021	1,150,665
Administrative expenses	(779,586)	(737,871)
Operating profit	364,435	412,794
Interest receivable	526	33
Interest payable	(8,378)	(3,134)
Gift aid donation to parent	356,583 (331,507)	409,693 (413,255)
	25,076	(3,562)
Net assets/ (liabilities)	1	(25,075)
	2013 £	2012 £
Ellenor Lions Hospices Lottery Company Limited		
Turnover	380,258	406,330
Cost of sales	(199,243)	(201,270)
Gross profit	181,015	205,060
Administrative expenses	(26,182)	(28,060)
Operating profit	154,833	177,000
Interest receivable	811	64
Interest payable	(38)	-
Gift aid donation to parent	155,606 (155,348)	177,064 (176,705)
	258	359
Net assets	11,435	11,177

Note 28 provides further details of the charity's investment in the subsidiary undertakings.

ELLENORLIONS HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

4. INVESTMENT INCOME			2013 £	2012 £
Interest and dividends			6,295	4,199
Rental income			13,455	20,957
			<u>19,750</u>	<u>25,156</u>
5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	Restricted funds	Unrestricted funds	Total funds 2013	Total funds 2012
	£	£	£	£
Department of Health	139,752	-	139,752	139,752
Local authority contracts	-	1,347,121	1,347,121	1,341,321
Other charitable income	-	270,387	270,387	269,373
Education and training	-	50,135	50,135	34,861
	<u>139,752</u>	<u>1,667,643</u>	<u>1,807,395</u>	<u>1,785,307</u>
6. COSTS OF GENERATING VOLUNTARY INCOME	Restricted funds	Unrestricted funds	Total funds 2013	Total funds 2012
	£	£	£	£
Promotional costs	-	138,059	138,059	109,223
Support costs	-	35,624	35,624	35,411
Staff costs	-	285,799	285,799	329,678
Depreciation	-	4,361	4,361	2,634
	<u>-</u>	<u>463,843</u>	<u>463,843</u>	<u>476,946</u>
7. DIRECT AND SUPPORT COSTS	Direct Costs	Support Costs	Total 2013	Total 2012
	£	£	£	£
Cost of generating funds:				
Cost of generating voluntary income	428,219	35,624	463,843	476,946
Fundraising trading:				
Trading company	867,833	79,768	947,601	883,314
Lottery company	222,136	3,328	225,464	229,330
Investment property expenses	6,787	-	6,787	8,778
Charitable activities:				
Services for adults	3,055,922	345,969	3,401,891	3,401,641
Services for children and young people	740,898	165,706	906,604	836,284
Governance costs	-	34,656	34,656	35,570
	<u>5,321,795</u>	<u>665,051</u>	<u>5,932,309</u>	<u>5,871,863</u>

ELLENORLIONS HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

8. ANALYSIS OF SUPPORT COSTS	Support Premises £	Admin £	Finance and IT £	Total 2013 £	Total 2012 £
Cost of generating funds:					
Cost of generating voluntary income	3,406	27,885	4,333	35,624	35,411
Fundraising trading:					
Trading company	61,192	-	18,576	79,768	19,613
Lottery company	-	-	3,328	3,328	2,561
Charitable activities:					
Services for adults	66,484	200,842	78,643	345,969	366,552
Services for children and young people	31,843	96,196	37,667	165,706	84,933
Governance costs	-	-	34,656	34,656	35,570
Total	<u>162,925</u>	<u>324,923</u>	<u>177,203</u>	<u>665,051</u>	<u>544,640</u>

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff Costs £	Depreciation £	Other Costs £	Total 2013 £	Total 2012 £
Cost of generating voluntary income	285,799	4,361	173,683	463,843	476,946
Fundraising Trading:					
Trading company	340,932	61,192	545,477	947,601	883,314
Lottery company	9,874	-	215,590	225,464	229,330
Investment property expenses	-	-	6,787	6,787	8,778
Costs of generating funds	<u>636,605</u>	<u>65,553</u>	<u>941,537</u>	<u>1,643,695</u>	<u>1,598,368</u>
Services for adults	2,813,672	147,131	441,088	3,401,891	3,401,641
Services for children and young people	715,770	15,140	175,694	906,604	836,284
Charitable activities	<u>3,529,442</u>	<u>162,271</u>	<u>616,782</u>	<u>4,308,495</u>	<u>4,237,925</u>
Governance	<u>23,470</u>	<u>-</u>	<u>11,186</u>	<u>34,656</u>	<u>35,570</u>
	<u>4,189,517</u>	<u>227,824</u>	<u>1,569,505</u>	<u>5,986,846</u>	<u>5,871,863</u>

ELLENORLIONS HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)	2013	2012
	£	£
This is stated after charging/(crediting):		
Amortisation – intangible fixed assets	3,896	3,895
Write off of intangible fixed asset	54,537	-
Depreciation of tangible fixed assets: - owned by the charitable group	169,391	164,452
Auditors' remuneration	8,500	5,708
Auditors' remuneration – subsidiaries	4,500	5,672
Auditors remuneration – other	2,200	-
(Profit)/loss on disposal of investment properties	18,000	-
	<u> </u>	<u> </u>

During the year, no Trustees received any remuneration (2012: £Nil).
 During the year, no Trustees received any benefits in kind (2012 - £Nil).
 During the year, no Trustees received any reimbursement of expenses (2012: £Nil).

11. STAFF COSTS	2013	2012
	£	£
Staff costs were as follows:		
Wages and salaries	3,713,578	3,721,755
Social security costs	283,561	285,014
Other pension costs	192,378	195,085
	<u> </u>	<u> </u>
	<u>4,189,517</u>	<u>4,201,854</u>

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

	No.	No.
Charitable activity staff	153	160
Finance and admin	9	9
Fundraising	13	15
	<u> </u>	<u> </u>
	<u>175</u>	<u>184</u>

The number of higher paid employees was:

	No.	No.
In the band:		
£60,001 - £70,000	2	1
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
	<u> </u>	<u> </u>
	<u>3</u>	<u>3</u>

Confirmations were made to defined contribution pension scheme on behalf of the all higher paid employees.

ELLENORLIONS HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

12. INTANGIBLE FIXED ASSETS					Goodwill
					£
Group					
Cost					
At 1 April 2012 and 31 March 2013					77,909
Write off					(77,909)
					<u>-</u>
Amortisation					
At 1 April 2012					19,476
Charge for the year					3,896
Write off					(23,372)
					<u>-</u>
At 31 March 2013					-
Net book value					
At 31 March 2013					-
At 31 March 2012					<u>58,433</u>
13. TANGIBLE FIXED ASSETS					
Group	Freehold Property	Long term Leasehold Property	Furniture & Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2012	1,053,305	3,053,865	1,136,595	18,800	5,262,565
Additions	-	10,789	66,014	35,381	112,184
Transfers to investment property	(103,889)	-	-	-	(103,889)
At 31 March 2013	<u>949,416</u>	<u>3,064,654</u>	<u>1,202,609</u>	<u>54,181</u>	<u>5,270,860</u>
Depreciation					
At 1 April 2012	211,389	847,560	983,458	4,696	2,047,103
Charge for the year	16,302	75,246	67,821	10,022	169,391
Transfers to investment property	(12,764)	-	-	-	(12,764)
At 31 March 2013	<u>214,927</u>	<u>922,806</u>	<u>1,051,279</u>	<u>14,718</u>	<u>2,203,730</u>
Net book value					
At 31 March 2013	<u>734,489</u>	<u>2,141,848</u>	<u>151,330</u>	<u>39,463</u>	<u>3,067,130</u>
At 31 March 2012	<u>841,916</u>	<u>2,206,305</u>	<u>153,137</u>	<u>14,104</u>	<u>3,215,462</u>

The transfer to investment property is to reclassify an investment property which was included in freehold property in the previous year.

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

Group	2013	2012
	£	£
Furniture, fittings and equipment	<u>11,449</u>	<u>17,744</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

13. TANGIBLE FIXED ASSETS (continued)	Freehold Property £	Long term Leasehold Property £	Furniture & Equipment £	Motor Vehicles £	Total £
Company					
Cost					
At 1 April 2012	949,416	3,042,558	998,485	18,800	5,009,259
Additions	-	10,789	16,968	35,381	63,138
At 31 March 2013	<u>949,416</u>	<u>3,053,347</u>	<u>1,015,453</u>	<u>54,181</u>	<u>5,072,397</u>
Depreciation					
At 1 April 2012	198,625	840,187	851,935	4,696	1,895,443
Charge for the year	16,302	74,961	65,346	10,022	166,631
At 31 March 2013	<u>214,927</u>	<u>915,148</u>	<u>917,281</u>	<u>14,718</u>	<u>2,062,074</u>
Net book value					
At 31 March 2013	<u>734,489</u>	<u>2,138,199</u>	<u>98,172</u>	<u>39,463</u>	<u>3,010,323</u>
At 31 March 2012	<u>750,791</u>	<u>2,202,371</u>	<u>146,550</u>	<u>14,104</u>	<u>3,113,816</u>

14. INVESTMENT PROPERTY

Group

Valuation

At 1 April 2012	745,000
Disposals	(247,000)
Loss on disposal	(4,125)
Transfers from fixed assets	91,125

At 31 March 2013 585,000

The 2013 valuations were made by the Trustees, on an open market value for existing use basis.

Company

Cost

At 1 April 2012	850,000
Disposals	(247,000)
Loss on disposal	(18,000)

At 31 March 2013 585,000

The 2013 valuations were made by the Trustees, on an open market value for existing use basis.

The latest professional valuations of the properties were carried out in March 2011 by Linays Commercial (RICS).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

15. FIXED ASSET INVESTMENTS

	Listed securities £
Group Market Value	
At 1 April 2012	11,064
Revaluations	1,629
At 31 March 2013	<u>12,693</u>

Group investments at market value comprise:	2013	2012
	£	£
Listed investments	<u>12,693</u>	<u>11,064</u>

All the fixed asset investments are held in the UK.

Company	Sub total brought forward £	Shares in group undertakings £	Total £
Market Value			
At 1 April 2012	11,064	2	11,066
Revaluations	1,629	-	1,629
At 31 March 2013	<u>12,693</u>	<u>2</u>	<u>12,695</u>

All the fixed asset investments are held in the UK. The share 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.

16. STOCKS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Finished goods and goods for resale	<u>22,621</u>	<u>29,680</u>	<u>-</u>	<u>2,278</u>

17. DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Due after more than one year				
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>125,000</u>
Due within one year				
Trade debtors	33,700	-	32,983	-
Amounts owed by group undertakings	-	-	549,674	609,222
Other debtors	149,921	85,687	123,631	77,173
Prepayments and accrued income	151,773	115,596	72,936	34,353
	<u>335,394</u>	<u>201,283</u>	<u>779,224</u>	<u>720,748</u>

The debtor due after more than one year is a loan to Ellenor Lions Hospices Trading Limited. The loan bears interest at 2% above Bank of England base rate.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

18. CREDITORS: amounts falling due within one year	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Bank overdraft	4,822	9,411	-	-
Net obligations under finance leases and hire purchase contracts	10,376	6,869	10,376	6,869
Trade creditors	197,323	124,851	111,424	71,792
Other taxes and social security	82,955	-	78,522	-
Other creditors	93,032	72,401	24,250	370
Accruals and deferred income	62,154	1,352,590	49,003	1,328,277
	<u>450,662</u>	<u>1,566,122</u>	<u>273,575</u>	<u>1,407,308</u>

Included in accruals and deferred income for 2012 was the PCT grant of £1,250,000 relating to the funding of services for the year 1 April 2012 to 31 March 2013.

19. CREDITORS: amounts falling due after more than one year	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Bank loan	195,868	-	195,868	-
Net obligations under finance leases and hire purchase contracts	-	10,303	-	10,303
	<u>195,868</u>	<u>10,303</u>	<u>195,868</u>	<u>10,303</u>

The bank loan is repayable in August 2014. It bears interest at 3.27% above Bank of England base rates and it is secured against the charity's investment properties.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Between one and five years	-	10,303	-	10,303
	<u>-</u>	<u>10,303</u>	<u>-</u>	<u>10,303</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers Gains/ (losses) £	Carried forward £
Unrestricted funds:					
Designated fund	-	-	-	2,285,798	2,285,798
General fund	3,673,287	5,609,744	(5,791,013)	(2,288,294)	1,203,724
	<u>3,673,287</u>	<u>5,609,744</u>	<u>(5,791,013)</u>	<u>(2,496)</u>	<u>3,489,522</u>
Restricted funds					
Mini bus	3,548	-	(224)	-	3,324
Property extension 2008	220,202	-	(7,095)	-	213,107
Department of Health Children Hospice at Home Grant 2012/13	-	139,752	(139,752)	-	-
Hospice DTU extension 2010/11	481,386	-	(14,850)	-	466,536
President Club Minibus	35,527	-	(5,181)	-	30,346
Heart FM Mini (Together for Short Lives)	12,687	-	(3,625)	-	9,062
Reclining chairs	2,750	-	(600)	-	2,150
Will Charitable Trust IT Servers	-	15,000	-	-	15,000
Doris Field Charitable Trust - Mattress covers	-	312	(312)	-	-
CIN – Music Therapist	-	15,294	(15,294)	-	-
Whitehead Monkton – Play Therapist	-	5,000	(5,000)	-	-
Kent Community Foundation - Play Therapist	-	3,900	(3,900)	-	-
	<u>756,100</u>	<u>179,258</u>	<u>(195,833)</u>	<u>-</u>	<u>739,525</u>
Total of funds	<u><u>4,429,387</u></u>	<u><u>5,789,002</u></u>	<u><u>(5,986,846)</u></u>	<u><u>(2,496)</u></u>	<u><u>4,229,047</u></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 which occurred in the beginning of the 2012/13 financial year.

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

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

The Will Charitable trust donated funds towards the purchase of an IT server. This will be carried out in 2013/14.

Children in Need (CIN) – Music Therapist represents funds received from Children in Need for the employments of a Music Therapist.

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 2013

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Restricted funds £	Unrestricted		Total funds 2013 £	Total funds 2012 £
		Designated funds £	General funds £		
Tangible fixed assets	724,525	2,285,798	56,807	3,067,130	3,215,463
Intangible fixed assets	-	-	-	-	58,433
Fixed asset investments	-	-	12,693	12,693	11,064
Investment property	-	-	585,000	585,000	745,000
Current assets	15,000	-	1,195,754	1,210,754	1,975,853
Creditors: due within one year	-	-	(450,662)	(450,662)	(1,566,123)
Creditors: due in more than one year	-	-	(195,868)	(195,868)	(10,303)
	<u>739,525</u>	<u>2,285,798</u>	<u>1,203,724</u>	<u>4,229,047</u>	<u>4,429,387</u>
22. NET CASH FLOW FROM OPERATING ACTIVITIES				2013	2012
				£	£
Movement in funds before revaluation				(197,844)	22,549
Amortisation of intangible fixed assets				3,896	3,895
Loss on disposal of intangible fixed asset				54,537	-
Depreciation of tangible fixed assets				169,391	160,559
Decrease in stocks				7,059	11,801
Decrease/(increase) in debtors				(134,111)	13,035
(Decrease)/increase in creditors				(1,114,378)	1,197,875
Net cash (outflow)/inflow from operations				<u>(1,211,450)</u>	<u>1,409,714</u>
23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT				2013	2012
				£	£
Capital expenditure and financial investments					
Purchase of tangible fixed assets				(112,184)	(167,360)
Proceeds from disposal of investment property				247,000	-
Net cash inflow/(outflow) capital expenditure				<u>134,816</u>	<u>(167,360)</u>
Financing					
New finance lease				-	17,172
New bank loans				195,868	-
				<u>195,868</u>	<u>17,172</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

24. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2012 £	Cash flow £	Other Non-cash Changes £	31 March 2013 £
Cash at bank and in hand	1,744,890	(892,151)	-	852,739
Bank overdraft	(9,411)	4,589	-	(4,822)
	<u>1,735,479</u>	<u>(887,562)</u>	<u>-</u>	<u>847,917</u>
Debt				
Finance leases	(17,172)	6,796	-	(10,376)
Bank loan	-	(195,868)	-	(195,868)
	<u>-</u>	<u>(195,868)</u>	<u>-</u>	<u>(195,868)</u>
Net funds	<u>1,718,307</u>	<u>(1,076,634)</u>	<u>-</u>	<u>641,673</u>

25. 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 £192,378 (2012: 195,085).

26. RELATED PARTY TRANSACTIONS

Consultancy services were provided by M Elms, a relation of Trustee V Elms, during the year to the value of £1,334 (2012: £24,000) and was owed £Nil (2012: £Nil) at the end of the year.

A relative of N King, Medical Director, provided counselling services via Eagle Counselling during the year to the value of £2,941 (2012: £3,000) and was owed £44 (2012: £88) at the end of the year.

A relative of L Trew, Head of Fundraising, provided workwear and advertising equipment via Trew's Workwear and PPE during the year to the value of £1,823 (2012: £4,992) and was owed £Nil (2012: £Nil) at the end of the year.

27. CONTROLLING PARTY

The EllenorLions Hospices is controlled by its board of Trustees.

28. 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 2013

29. OPERATING LEASE COMMITMENTS

Group	2013		2012	
	Land & Buildings £	Other £	Land & Buildings £	Other £
As at 31 March 2013, the group had annual Commitments under no totalling:				
Leases expiring within 1 year	2,125	16,940	29,750	9,192
Leases expiring within 2-5 years	-	21,830	-	17,279
Leases expiring within 2-5 years	34,600	31,554	29,100	39,631
Leases expiring after 5 years	117,100	-	132,500	-
	<u>£153,825</u>	<u>£70,324</u>	<u>£191,350</u>	<u>£66,102</u>
 Company		2013 Other £		2012 Other £
As at 31 March 2013, the group had annual Commitments under no totalling:				
Leases expiring within 1 year		14,399		1,778
Leases expiring within 1 – 2 years		21,830		17,279
Leases expiring within 2-5 years		26,685		37,090
		<u>£62,914</u>		<u>£56,147</u>