



ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

**JERSEY HOSPICE CARE
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YEAR ENDED 31 DECEMBER 2019**

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**JERSEY HOSPICE CARE
ANNUAL REPORT OF THE TRUSTEES
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The Trustees present their report and the audited financial statements for the year ended 31 December 2019. The financial statements comply with current statutory requirements, the Constitution of Jersey Hospice Care and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

ADMINISTRATIVE DETAILS

Incorporation: Jersey Hospice Care is a charitable Association incorporated under the Loi (1862) sur les teneures en fideicommiss et l’incorporation d’associations (as amended).

There are also three wholly owned subsidiary trading companies within the group:

Feature Limited (company number 67663), which owns property occupied by the Association’s fundraising shop, was incorporated on 26 February 1997.

Jersey Hospice Care Fundraising Limited (company number 101977) and Jersey Hospice Care Retail Limited (company number 101976) were incorporated on 16 October 2008. These companies took over the responsibility for the Association’s fundraising and retail activities respectively from 1 January 2010. On 15 January 2019 the Council of Trustees agreed to transfer the fundraising activities to Jersey Hospice Care, but to retain Jersey Hospice Care Fundraising Limited for the purpose of the regular donations which are paid into its bank account.

Registrations: As an incorporated charity (not for profit organisation) Jersey Hospice Care is registered with the Jersey Financial Services Commission and is a member of the Association of Jersey Charities (number 075).

Jersey Hospice Care is registered with the Jersey Charity Commissioner under the regulatory arrangements of the Charities (Jersey) Law 2014 (number 30).

Council: Jersey Hospice Care is governed by a Council. The trustees during the year ending 31 December 2019 and up to the date of signing this report were:

Mrs Julie Coward	Chair
Mr Tim Crowley	Honorary Secretary (appointed as Honorary Secretary on 13 August 2019)
Mr Mark James	Honorary Treasurer (appointed as Honorary Treasurer on 28 March 2019)
Mr Ian Shepherd	
Mr Steven Hunt	
Dr Calum McClymont	
Mr Adrian Gordon	
Mr Colin Macleod	
Mr Paul Hughes	
Mr Eric Bertrand	(resigned as a trustee and as Honorary Treasurer on 28 March 2019)
Mrs Rachael Glover-Wright	(resigned as a trustee and as Honorary Secretary on 13 August 2019)
Mr Stuart Catchpole	(resigned as a trustee on 19 September 2019)

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Executive Directors: Ms Emelita Robbins Chief Executive Officer
Mrs Gail Caddell Director of Palliative Care Services
Mrs Amy Taylor Director of Finance
Mr Yannick Fillieul Director of Operations and Business Development
(appointed on 5 August 2019)
Mrs Katrina Hancock Director of Income Generation (appointed on 2
September 2019)
Mrs Honor Blain Director of Workforce and Organisational
Development (resigned on 2 July 2019)

Patron: Sir Michael Birt

Vice-patrons: Mrs J Brown, Advocate J Clyde-Smith, Mrs A Dangerfield MBE, Ms N Dinshaw, Mr D East, Jurat Dr D Georgelin, Dr J Millar, Mr D C Norman, Lady Oppenheimer, Sir Michael Oppenheimer Bt., Mrs B Waites, Mrs J Werrin BEM, Advocate M J Thompson, Mrs D Weber, Dr G Purcell-Jones MBE, Mr I Richardson, Mrs S Baker.

Principal Address: Le Mont Cochon
St Helier
Jersey
JE2 3JB

Principal Bankers: NatWest International
16 Library Place
St Helier
Jersey
JE4 8NH

Independent Auditors: PKF BBA Audit and Assurance Limited
Beachside Business Centre
Rue du Hocq
St. Clement
Jersey
JE2 6LF

Investment Managers: UBS AG London Rathbone Investment Management
5 Broadgate International Limited
London 26 Esplanade
EC2M 2QS St Helier
Jersey
JE1 2RB

MISSION, OBJECTIVES AND PRINCIPAL ACTIVITIES

Mission

Jersey Hospice Care is committed to delivering services in line with our mission statement 'your care, your choice, your time' that maximise and celebrate life and give those with terminal diagnoses, and their families, choice and control.

Objectives

Our aim

The Charity's principal aim is to provide specialist palliative, holistic care for all those living in Jersey with a life limiting condition.

Jersey Hospice Care is Jersey's only Hospice and the largest independent charitable provider of healthcare services in the Channel Islands. Irrespective of age or diagnosis, we deliver a multidisciplinary, holistic approach to the care of children, young people and adults with life limiting and life threatening conditions, working alongside existing service providers, providing a collaborative approach to patient care. Jersey Hospice Care has come a long way in its 38 year history, but we believe there is always more to do for islanders and their families.

Our story

Jersey Hospice Care is about choice. We believe that everyone deserves to be treated with respect, to die pain free, with dignity and in a place of their choosing. We know that we cannot care for everyone at the end of their life, but our vision is that everybody in our community with a life limiting condition should have access to the highest standard of specialist palliative care, and that it should always be free and available to anybody who needs it, no matter what their medical needs. We took the decision to open our doors to non-cancer patients in 2014, and now 60% of our patients have other life limiting illnesses.

From supporting some 85 patients when we began in 1982, last year saw us care for or support over 1,000 people. Jersey Hospice Care supports patients and their families in the home, in the community, at the hospital and at Hospice. We offer palliative, emotional and spiritual care for free to anyone with any life limiting condition. In addition to patient care, we have a strategic leadership role in the delivery of end-of-life care across Jersey and provide education to all healthcare providers.

Extension of services

One of our strengths at Jersey Hospice Care is our ability to adapt to the ever growing needs of our community and as an organisation we are always looking to deliver the very best service we can. We are very mindful that, as the only hospice in Jersey, we have a responsibility to the community to ensure we give everyone who needs it the choice of hospice care. This led to the decision in 2016 to start looking at the provision of services to offer specialist palliative care to children and young people and support to their families, and the subsequent launch of outreach services at home and in hospital during 2018 and the commencement of group support sessions in the King Centre during 2019. The expansion to our services means that we will be able to care for anyone in Jersey with a life shortening condition, irrespective of diagnosis or age. We know that increasingly patients are living longer but with degenerative conditions. We are adapting to meet the changing needs of the patients we care for.

Objects of the Constitution

The objects of the Constitution of the Association of Jersey Hospice Care are:

- To establish a foundation in Jersey to provide appropriate skilled, palliative and spiritual care for patients during the terminal phase of illness and to support the whole family during this time and in bereavement.
- To work in close co-operation with Health and Community Services (HCS) and all professional charitable, voluntary and medical associations and bodies in the Island with a view to supplementing the existing services and facilities.
- To further understanding in this field both among the professional bodies and in the community as a whole, and to provide opportunities for developing skills both for professional staff and for members of the community.
- To provide a Domiciliary Service for patients in their own homes, in co-operation and consultation with all bodies concerned with medical, nursing, spiritual and social care in the community.
- To organise educational programmes for both professional staff and lay volunteers.
- To provide premises suitable for day patients and accommodation for a limited number of inpatients as well as premises from which the domiciliary service can operate.

Principal Activities

The Charity fulfils its purpose through its principal activity of providing palliative and supportive care as follows:

- Adult in-patient palliative medical and nursing care in a twelve-bed unit;
- Adult outpatient palliative and supportive care (including therapies) in the King Centre;
- Adult community nursing team that provides palliative care in the home, hospital and other community settings;
- Bereavement services for all Jersey residents including family support services; and
- Outreach services to Children and Young People through a dedicated team offering support at home or in hospital, as well as providing group sessions in the King Centre.

Supportive care is provided by bereavement care workers and therapists (physiotherapy, lymphoedema, rehabilitation and complementary therapies). This ensures that there is a holistic approach to care that not only considers the patient's condition, but also the patient as an individual, their life and values, and supporting and caring for the patient's family and friends. The Charity provides its services free to patients, carers and families to ensure accessibility.

The housekeeping team and catering and facilities services provide essential operational support for the principal activities. In addition, the Education and Learning Team ensures that staff are maintaining and developing core skills in patient care and the Governance Team oversees both clinical and non-clinical best practice.

The management and administration team provides the necessary governance, oversight and operational management as well as finance, human resources, information technology and administrative support.

The income generation and retail teams generate a very significant proportion of the income needed by the Charity to deliver its services. Together with legacies, over 90% of funding is raised by these means, with the remainder being funded currently under an Agreement for Service with HCS.

Communications with all stakeholders are managed through a range of media, including social and print media, radio and television, in order to keep them informed of our services and fundraising activities.

PUBLIC BENEFIT STATEMENT

The Trustees have considered the purpose, aims and objectives of the Charity and its current and planned activities against general guidance on public benefit. The Trustees are satisfied that the Charity's purpose, aims, objectives and activities are fully consistent with charitable purposes as defined in the Charities (Jersey) Law 2014 Article 6.

STRATEGIC THEMES AND ACHIEVEMENTS

The overriding theme for 2019 has been the reflective work undertaken by the Charity on how we can all be best prepared to meet the challenges to our services arising out of the changing needs of our local community. This work carried out in parallel with that undertaken by our community partners, in particular HCS has led to a number of new activities and work-streams. Jersey Hospice Care accepted an appointment to the main strategic board for HCS, demonstrating the collaborative commitment of the Charity to develop a whole system assurance mechanism. The Charity has also consulted closely with the department in the preparation of the Jersey Care Model. It is also working with other services providers such as the Ambulance Service to review and align related patient provision. Our important fundraising and retail teams have performed well over the year and continue to be innovative and creative in how they raise income. The new Preloved to Reloved pop-up shop initiative that sells high quality second-hand clothes is an excellent example of volunteers and employees working together in a new way.

The Charity's commitment to extending its remit to children with life limiting illnesses led in 2019 to the extension of the bereavement, day services, hospital and home outreach services to this patient group. The referral criteria for these children is based around the four categories specified by the national body Together for Short Lives, offering care to children with life threatening conditions, conditions where premature death is inevitable, progressive conditions and irreversible conditions. Upon receipt of data evidencing the extent of the uptake of these services Government funding has been approved for these services going forward. A sub-committee has been appointed to explore capital project options and costings for consideration by the Council of Trustees.

Education is a critical part of our service provision. We are an accredited Gold Standards Framework (GSF) Hospice, as well as a regional training centre. In 2019 we achieved the GSF British Geriatrics Society Quality Hallmark Award in End of Life Care. This marks Jersey Hospice Care out as one of the leading hospices in Britain and is a testament to the sustained effort and commitment of colleagues to ensuring that people's experience of the care they receive as they near the end of life is as good as it possibly can be. Continuous practice development across each of the clinical areas this year has again resulted in outstanding outcomes from both planned and unannounced regulatory inspections, confirming that the Jersey Nursing Assessment and Accreditation System (JNAAS) is now strongly embedded across the whole of the inpatient unit. The year concluded with an inspection from the Regulator of the newly regulated services, (which notwithstanding having been provided for some time until recently were not subject to local regulation). The Inspector recorded evidence of 'positive engagement' with other agencies being 'core' to how Hospice operates, evidence of 'best practice' being followed throughout along with evidence of 'well defined assurance frameworks'. Significantly there were no requirements or recommendations made in respect of any of our regulated services. The Inspector stated that the services were all being provided by very assured and knowledgeable staff, where levels of individual clinical expertise and experience were noted.

The Council of Trustees approved proposals by the Executive to work closely with Government on the alignment of local future healthcare ambitions, including but not limited to those set out in the Jersey Care Model. Related to this Council approved structuring the activities of the organisation in such a way so as to ensure that the on-going core activities of the charity are delivered in a sustainable and protected form, whilst at the same time enabling new and innovative service development that benefits the community. The

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Asset Management and the Finance Governance sub-committees of Council are charged with over-seeing the financial management of the charity, its assets and reserves.

The year concluded with the successful submission of the Charity's Annual Return for 2019, along with approval and registration by the Charity Commissioner of the Public Benefit Statement, confirming the registered charitable status of the organisation.

FUTURE ACTIVITIES

The Charity is committed to transforming and delivering outstanding palliative care for our community. Jersey Hospice Care is not a building it is a philosophy of care. We recognise that to achieve this we must strive to empower individuals, organisations, the system and our community to embrace the ethos of hospice care and thereby extend the breath and reach of the Charity to improve everyone's expectation of care during chronic illness, death, dying and bereavement. To that end we are committed to working as part of the whole system for improvement and change.

The year will see a continued focus on the development and improvement of services, with attention on governance and assurance mechanisms. Having successfully implemented JNAAS, we plan to introduce the Community Nursing Assessment and Accreditation System and we hope that other community nursing providers will unite with us in the delivery of this ambition. Working closely with Government we foresee increased opportunities for service delivery and support being provided to other care providers. The new Jersey Care Model offers an opportunity for the strength of our sector to be harnessed in the achievement of aligned health and social care goals and we intend to play our part in the delivery of the model. Critically we believe if achieved, it has the potential to significantly improve the experience of patients and the outcomes achieved for them across the whole system.

We are humbled by the continued generous support we receive from the community and Government. We will seek to provide the best possible care we can and seek to enable others to deliver the same, so that patients, their families and members of our community receive compassionate and competent care when they need it most.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The consolidated financial statements that follow later in this report comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet and the Consolidated Statement of Cash Flows and related notes, which include the results of the trading companies Jersey Hospice Care Fundraising Limited and Jersey Hospice Care Retail Limited and the property holding company Feature Limited. The objective of these companies is for making best use of and maximising the returns from the resources of the Charity.

Trustees

The Trustees who served during the year and up to the date of this report are set out on page 3 of this report.

The Council of Trustees meets at least every three months. The Council has established four sub-committees, each with its own terms of reference; the Asset Management Committee, Finance Governance Committee, Clinical Governance Committee and Project Butterfly Committee. Any significant issues identified by these committees are reported to Council.

Trustees are appointed for three year terms and may normally serve a maximum of three consecutive terms.

The Charity provides trustees with appropriate training to undertake their role and to ensure that new trustees receive appropriate induction to the Charity and the role of a trustee. The Trustees have the power to appoint members of the Council as may be from time to time deemed necessary who shall hold office until the next Annual General Meeting when they shall be eligible for reappointment.

The Council monitors performance against the objectives set in the Business Plan.

The Council regularly reviews its composition to ensure a proper balance of skills, experience and diversity. In addition, Board Effectiveness Surveys are carried out, which help focus priorities on strategic issues. Individual trustees were appraised in spring 2019.

Day-to-day management

The Trustees delegate day-to-day responsibility to the Chief Executive, who in turn delegates some leadership functions to the executive team and senior management team. The schedule of delegation is maintained and updated regularly.

The Council considers reports from the executive team and the committees regularly and relevant staff are invited to trustee meetings to answer questions and provide any additional information that may be required.

Staff

The Trustees wish to record their thanks to all the staff of the Charity who are dedicated to the provision of high-quality care for patients. The staff are the guardians of the Charity's reputation which is vital to the ongoing sustainability of the Charity and continuation of the Charity's work.

In 2019 the Charity employed an average of 111 staff (plus approximately 10 people on a 'bank' basis) to deliver the range of professional disciplines needed to provide quality care services for our patients and their families and to meet statutory and best practice requirements.

The work the Charity does is hugely demanding on our staff. To ensure that they are well-supported, the Charity has developed a well-being programme and has ensured that staff have access to a range of benefits in their reward package including pension entitlement, private health and dental cover and income protection and death in service benefits.

The Charity has adopted a Staff Charter which sets out the shared values, attitudes and behaviours expected across the organisation to enable the delivery of the best possible service to patients and their families.

The Charity has nominated employees to become its DIFERA (diversity, inclusion, fairness, equality, respect and acceptance) champions to raise awareness and support the promotion of diversity and difference across the organisation.

All fundraising activity undertaken by the Charity is managed by the Income Generation Team. In the last year, no third parties have been employed to act on the Charity's behalf to achieve its fundraising objectives.

Volunteers

The Trustees also wish to record their thanks to the many volunteers without whom the Charity would be unable to maintain the quality of service that is currently enjoyed.

The Charity benefits from the unpaid work of over 450 volunteers, who ably support paid staff in various ways. Last year volunteers contributed 30,500 hours to retail, 5,100 hours to driving patients and supporting Day Hospice services, 3,100 hours to reception 1,500 hours to maintaining the gardens and a further 11,000 hours to other services including fundraising events and collections, bereavement support, the inpatient unit and the kitchen.

In total, volunteers gave approximately 53,000 hours during 2019, which equates to 27 Full Time Equivalent staff.

Pay Policy

For nursing and medical staff, Jersey Hospice Care operates a pay structure linked to the Government of Jersey pay scales. Jobs are assessed based on the responsibilities, accountabilities and market rates of the job.

Most non-clinical roles have been benchmarked informally against similar public or private sector roles in Jersey.

The Council of Trustees recognises that employment of first class senior managers is vital if the Charity is to maximise income, and ensure the quality of clinical services and the sustainability of the Charity. Salary levels for incoming senior managers are based on externally benchmarked market rates.

A pay review for all staff was conducted in 2019.

Investment policy and returns

In 2017 the Trustees decided to pursue an investment strategy with both income generation and long term capital growth targets which is kept under review by the Asset Management Committee. As part of the Financial Plan a portion of the Charity's resources has been designated into a separate investment fund which has a blended total return requirement to support the ongoing operations of the Charity.

The investment objectives are to generate a return in excess of inflation over the long term whilst generating income, and more specifically:

- I. The non-cash reserves are investment from which the Charity requires a return of inflation (RPI) + 2.5% and are used to support the on-going activities of the Charity.
- II. The investment objective for short term cash reserves is to preserve the capital value with a minimum level of risk. These assets should be sufficiently liquid in time periods to meet cash flow requirements.

The Trustees have appointed investment managers to manage the discretionary portfolios and have implemented an ethical investment policy which requires that assets should be invested in line with the aims and objectives of the Charity.

Council has delegated responsibility for the management of the cash and investment assets (including properties) to the Asset Management Committee, which also monitors the strategy and performance in relation to the Charity's assets.

Currently funds are held in a mixture of cash deposits and investment portfolios (equities and bonds) managed by NatWest, Lloyds and Santander (cash), Rathbones and UBS (investments). In addition, the Charity has a number of investment properties details of which are set out in Note 15 of the financial statements.

FINANCIAL REVIEW

The detailed figures for the year ended 31 December 2019 are set out in the consolidated financial statements that follow this Trustees' report.

Income

The Charity's principal funding sources are:

- Donated income (donations, legacies and grants)
- Retail income (sale of goods through the shops)
- Fundraising activities (including the Million Pound Lottery)
- Investment income (including rental income and dividends on investments)
- Income from charitable activities (services provided under the agreement with the States of Jersey)

Consolidated income for the year was £8,176,844 (2018: £5,637,093), an increase of 45%. Legacy income is not predictable or linear and therefore following best practice in the sector is budgeted for over a rolling 4 year period.

Expenditure

Excluding lottery prizes, the overall expenditure for the year was £7,381,263 (2018: £6,786,339) of which 78% was spent on charitable activities. The remaining expenditure was on fundraising activities – retail (10%) and income generation (12%). Total expenditure was less than budgeted for the year by 3%.

Funds and Reserves Transfers

The Consolidated Statement of Financial Activities shows an increase in funds of £1,798,772 (2018: decrease of £1,499,267).

The Trustees agreed to designate reserves to an Investment Fund with the purpose of generating annual returns to support ongoing charitable activities. Movements in the value of investments are transferred to the Investment Fund at year end.

At the end of the year £1,449,136 of the overall reserves (net assets) position is held in Restricted Funds. Further details on the restricted and unrestricted funds are shown in notes 18 and 19 of the financial statements.

Balance Sheet

Total net assets at 31 December 2019 are £33,622,962 (2018: £31,824,190) which includes group cash balances of £5,608,768 (2018: £3,683,481). Further details of the funds analysis can be found in notes 18 and 19 of the consolidated financial statements.

Reserves Policy

The Trustees have reviewed the reliability of future income streams, the commitment to future expenditure and the risks faced as a charity. They have determined that the charity needs reserves for the following reasons:

- To ensure that working capital is appropriately funded – the timing of receipts and payments can fluctuate and therefore the Trustees consider it prudent to maintain reserves to manage these fluctuations.
- To fund shortfalls in income (whether contractual, retail, lottery, donations, legacies or other fundraising activities) when it does not reach expected levels. The charity is predominantly dependent on fundraising and legacy income which is subject to fluctuation.

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- To fund unexpected expenditure - This could be, for example, unexpected building maintenance costs (expected costs are built into annual budgets) and to provide a degree of flexibility for innovation; and
- To allow time to cover expenditure in the event of a significant change in circumstances – for example if retail operations were to be interrupted or the facility at Mont Cochon had to be closed temporarily. While the charity maintains good levels of business interruption insurance, it is still considered prudent to ensure that there are sufficient funds to manage any significant additional costs in the short term.

The Trustees have therefore agreed a policy to have minimum available reserves of six months of the budgeted total operating costs (excluding the budgeted direct costs of prizes for fundraising, capital and non-cash depreciation costs), or the equivalent of 18 months' deficit cover, whichever is higher. For the year 2020 this would equate to £4.64m.

At 31 December 2019 the available reserves (excluding investment properties, fixed assets, restricted funds and committed project funding) were £14.2m, representing 21 months of 2020 budgeted operating costs (excluding the budgeted direct costs of prizes for fundraising, capital expenditure and depreciation).

An annual budget is produced and approved by the Council of Trustees. The Council have approved a long-term budget strategy for sustainable finances whereby income from all sources will fully fund costs on an annual basis. The level of reserves is monitored regularly by the Finance Governance Committee and reported to Council.

Performance against budget is monitored by the presentation of management accounts to the Council.

RISK MANAGEMENT

The Trustees of the Charity have governance responsibility for the Charity and its work. They are advised by the Chief Executive and the other members of the Executive Team who also manage the operation of services. A risk management policy governs the identification and management of ongoing operational business risks. The Governance Team provides day to day management on all aspects of risk management.

Trustees also place reliance on the external audit of the financial statements (to provide assurance that the financial statements are true, fair and free from material misstatement), regular care inspections of the inpatient facilities, nurses' revalidation procedures and ongoing internal clinical audits. Identified risks are noted on the risk register, and key risks are reported at Council meetings.

PRINCIPAL RISKS AND UNCERTAINTIES

The Council has identified the following main areas of risk:

- **Delivery risk** in terms of whether the Charity is able to deliver its objectives;
- **Clinical risk** in the form of a major adverse clinical event;
- **Compliance risk** due to the risk of not meeting regulatory, legal and donor requirements and expectations;
- **Reputational risk** in terms of the Charity's ability to prevent and / or effectively manage an incident that could result in damage to the Charity's reputation;
- **Financial risk** due to not having sufficient resources to meet the Charity's objectives. This may be due to a drop in fundraising income, a change in the value of investments due to market volatility or loss of funds through fraud; and
- **Information technology risk** due to systems not being fit for purpose, a breach of data protection law, the failure of backup procedures and cyber-attack.

The Trustees consider that these risks are acceptably managed, and are committed to further development of risk management policies and procedures in line with best practice.

RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and the Statement of Recommended Practice (SORP) and the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

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

- Select suitable accounting policies and then apply them consistently;
- Comply with the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with relevant requirements. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- To the best of their knowledge, there is no relevant audit information of which the auditors are unaware; and
- They have taken all the steps they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Going Concern

There are no material uncertainties regarding the Charity's ability to continue in operation. The Trustees have reviewed financial forecasts and are confident that the Charity will continue as a going concern for the foreseeable future.

Auditors

PKF BBA Audit and Assurance Limited have expressed their willingness to continue as auditors for the next financial year.

This report was approved by the Council on 17 March 2020, and is signed as authorised on its behalf by:



Julie Coward
Chair of Trustees
18 March 2020

Independent auditor's report to the Council of Jersey Hospice Care for the year ended 31 December 2019

Opinion

We have audited the consolidated financial statements of Jersey Hospice Care (the 'Association') for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Consolidated Statement of Cashflows and the Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 December 2019 and of its incoming resources and application of those resources for the year then ended; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The Council is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we

have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the balance sheet and profit and loss account are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations which we consider necessary for the purposes of our audit; and
- the information given in the Report of the Trustees is not consistent with the financial statements.

Responsibilities of the Council

As explained more fully in the report of the trustees set out on page 10, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

PKF BBA Audit and Assurance Ltd.

PKF BBA Audit and Assurance Limited
Beachside Business Centre,
Rue Du Hocq, St. Clement,
Jersey, JE2 6LF

18 March 2020

JERSEY HOSPICE CARE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2019

				2019	2018
	Notes	Unrestricted £	Restricted £	Total Funds £	Total Funds £
Donations and legacies:					
Donations	2	898,315	1,235,049	2,133,364	832,214
Legacies	3	2,630,330	-	2,630,330	1,312,122
		3,528,645	1,235,049	4,763,694	2,144,336
Income from other trading activities:					
Shops	4	1,107,063	-	1,107,063	1,156,968
Million pound lottery	5	794,246	-	794,246	793,460
Fundraising events and activities	6	676,633	17,646	694,279	754,743
Other trading income		37,472	-	37,472	41,433
		2,615,414	17,646	2,633,060	2,746,604
Investment income	7	244,907	3,125	248,032	225,153
Income from charitable activities	8	26,458	505,600	532,058	521,000
Total income		6,415,424	1,761,420	8,176,844	5,637,093
Cost of raising voluntary income	10	1,511,402	143	1,511,545	1,306,830
Investment costs	10	78,480	-	78,480	37,657
Costs of raising funds		1,589,882	143	1,590,025	1,344,487
In patient care		3,151,939	4,029	3,155,968	3,151,465
Day hospice		304,184	524	304,708	279,494
Community services		738,246	505,600	1,243,846	1,095,891
Therapies		376,793	4,607	381,400	452,337
Bereavement		253,884	-	253,884	266,396
Children and young people		-	451,432	451,432	196,269
Expenditure on charitable activities	10	4,825,046	966,192	5,791,238	5,441,852
Total expenditure		6,414,928	966,335	7,381,263	6,786,339
Net income/(expenditure) from operational activities for the year		496	795,085	795,581	(1,149,246)
Net realised and unrealised gains/(losses) on investments	9	1,003,191	-	1,003,191	(350,021)
Net income/(expenditure) for the year		1,003,687	795,085	1,798,772	(1,499,267)
Transfers between funds		(379,473)	379,473	-	-
Net movement in funds		624,214	1,174,558	1,798,772	(1,499,267)
Reconciliation of funds:					
Total funds brought forward		31,549,612	274,578	31,824,190	33,323,457
Total funds carried forward		32,173,826	1,449,136	33,622,962	31,824,190

All amounts relate to continuing activities of the group.

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes to the financial statements are shown on pages 19-31

JERSEY HOSPICE CARE
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	14	15,524,509	15,709,531
Investments	15	8,590,156	7,516,950
		<u>24,114,665</u>	<u>23,226,481</u>
Current assets			
Stock		6,739	6,238
Debtors	16	4,611,934	5,294,974
Cash at bank and in hand		5,608,768	3,683,481
		<u>10,227,441</u>	<u>8,984,693</u>
Liabilities			
Creditors: amounts falling due within one year	17	719,144	386,984
		<u>9,508,297</u>	<u>8,597,709</u>
Net current assets		<u>9,508,297</u>	<u>8,597,709</u>
Total assets less current liabilities		<u>33,622,962</u>	<u>31,824,190</u>
Creditors: amounts falling due in greater than one year		-	-
Total net assets		<u>33,622,962</u>	<u>31,824,190</u>
The funds of the charity:			
Restricted funds	18	1,449,136	274,578
Unrestricted funds	19	32,173,826	31,549,612
Total funds		<u>33,622,962</u>	<u>31,824,190</u>

Approved by the Trustees and signed and authorised for issue on their behalf by:



Julie Coward (Chair of Trustees)

18 March 2020



Mark James, FCA (Honorary Treasurer)

The notes to the financial statements are shown on pages 19-31

JERSEY HOSPICE CARE
CONSOLIDATED STATEMENT OF CASHFLOWS
YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	21	<u>1,984,106</u>	<u>(238,346)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		248,032	225,153
Expenditure on investment properties		(101,523)	-
Purchase of property, plant and equipment		(236,836)	(362,448)
Proceeds from sale of investments		1,292,446	3,424,823
Purchase of investments		(1,260,938)	(3,939,812)
Net cash used in investing activities		<u>(58,819)</u>	<u>(652,284)</u>
Change in cash and cash equivalents in the reporting period		<u>1,925,287</u>	<u>(890,630)</u>
Cash and cash equivalents at the beginning of the reporting period		3,683,481	4,574,111
Change in cash and cash equivalents		1,925,287	(890,630)
Cash and cash equivalents at the end of the reporting period	22	<u>5,608,768</u>	<u>3,683,481</u>

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:

a) Basis of preparation

The Hospice meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) and the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Legal status of the Charity

The charity is a charitable association incorporated under the Loi (1862) sur les teneures en fideicommis et l'incorporation d'associations (as amended).

c) Going concern

The Trustees consider that there are no material uncertainties about Jersey Hospice Care's ability to continue as a going concern. The most significant area of judgement and key assumptions that affect items in the financial statements is the estimation of the value of legacies in these financial statements. With regard to the immediate future, the most significant area of uncertainty is donation income. This is covered in more detail in the Trustees' annual report.

d) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiaries on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented.

e) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. The aim and purpose of each designated fund is set out in the notes to the financial statements. Restricted funds are donations where the donor has specified they should only be used for particular areas of the hospice's work. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each material designated and restricted fund is set out in the notes to the financial statements. Investment income, gains and losses are allocated to the Investment Fund.

f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

JERSEY HOSPICE CARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Consolidated Statement of Financial Activities, except for the Million Pound Lottery, where the gross income and expenditure are shown in note 5.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled. Income from tax reclaims is recognised for any donations for which donors complete appropriate forms. Any amounts of tax refunds not received by the year end are accounted for in income and as accrued income in debtors.

Income from Government of Jersey contracts, government and other grants, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, for example life interests in a property (see note 3), it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which:

1. the date that probate has been granted (provided that notification has been made by the executor(s) to the charity that a distribution is expected), or
2. when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has sufficient evidence that executor intends to make the distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured. Where the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 3).

Income received in advance for a future fundraising event or for a grant received relating to the following year is deferred until the criteria for income recognition are met. Related expenditure is deferred if refundable, but otherwise recorded when incurred.

Interest on cash deposits is included when receivable and the amount can be measured reliably by the charity. Dividends are recognised once the right to receive payment has been established. Sponsorship from events, fundraising and events registration fees are recognised in income when the event takes place. Lottery income is accounted for in respect of those draws that have taken place in the year. Trading income is recognised at the point of sale for both donated and purchased goods.

g) Donated goods and services (excluding stock – see note 1 m)

Donated goods or services are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably.

Donated professional services are included in income at the estimated value of the gift to the charity when received, based on the amount that the charity would have been prepared to pay for these services or facilities had it been required to purchase them, with a corresponding entry in the appropriate expenditure heading for the same amount. Donated fixed assets are similarly taken to income at the value to the charity with the other entry being capitalised in fixed assets.

h) 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. All expenditure is accounted for on an accruals basis under the following headings:

Cost of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies; investment management fees; costs of fundraising activities including the costs of goods sold, shop costs, commercial trading and their associated support costs.

Expenditure on charitable activities includes the costs of providing specialist palliative care and support, community services, day services, bereavement services and educational activities undertaken to further the purposes of the charity and their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objectives of the charity and include governance costs, finance and office costs. Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity. Support costs are generally allocated to each of the activities on the basis of total direct spend for each heading. More detail on the analysis and basis of allocation is given in note 10 to the financial statements.

i) Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements. Further details of their contribution is provided in note 11 to these financial statements and in the Trustees report.

j) Fixed assets

All assets costing more than £2,000 are capitalised at their historical cost when purchased.

Depreciation is provided to write off the cost or revaluated amount, less an estimated residual value, of all fixed assets evenly over their expected economic useful lives on a straight-line basis as follows:

Freehold property and leasehold alterations	50 years
Fixtures and fittings	3-10 years
IT (included within fixtures, fittings and equipment)	3 years
Motor vehicles (included within fixtures, fittings and equipment)	5 years

The need for any impairment of a fixed asset is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

The charity has not adopted the revaluation model for freehold property.

Fixed assets purchased as a part of a project or works in progress are treated as uncompleted works and are carried at cost less any impairment. Once the particular project has been completed, the cumulative associated cost is transferred to the appropriate fixed asset category. A full year of depreciation is charged in the year of completion.

k) Investment properties

Investment properties are held at fair value. The valuation of the properties is conducted by external valuers every year. Surpluses or losses arising from the revaluation of investment properties are recognised as unrealised gains/(losses) on investments on the consolidated statement of financial activities.

Movements in the value investment properties are transferred to the Investment Fund.

l) Other Investments

Investments are in the form of basic financial instruments and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value 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.

Movements in the value investments are transferred to the Investment Fund.

m) Stock

Stock of retail goods is included at the lower of cost or net realisable value. Donated items of stock for resale or distribution are not included in the financial statements until they are sold or distributed because the Trustees consider it impractical to be able to assess the value of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stocktake and valuation thereof would incur undue cost for the charity which it is felt far outweigh the benefits.

n) 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. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a maturity of 95 days or fewer from the date of acquisition or opening of the deposit or similar account.

p) Creditors

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Concessionary loan

The charity has taken advantage of Section 34 of FRS102 to recognise the loan to its trading subsidiary as a concessionary loan as the subsidiary and the charity form a public benefit entity group. As such the charity initially recognises and measured the loan at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

r) 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 their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

s) Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 11. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included with the associated staff costs and allocated therefore to raising funds, charitable activities, support and governance costs and charged to the unrestricted funds of the charity.

The money purchase plan is managed by Zurich International and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age of 65 years. Employees can take up to 30% of the fund in a cash lump sum. The fee is 0.63% and this is deducted from the investment fund annually. The charity has no liability beyond making its contributions and paying across the deductions for employees' contributions.

t) Operating leases

Operating leases are recognised over the period of which the lease falls due.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period of the lease.

u) Taxation

The Charity and its subsidiaries are together a registered charity and as such are deemed as established for charitable purposes within the terms of Article 115 (a) of the Income Tax (Jersey) Law 1961, with the result that its income, to the extent that it is applied for charitable purposes, is exempt from income tax and its sales are exempt from GST.

JERSEY HOSPICE CARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

2 Donations

	2019			2018		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
General donations	685,617	1,205,049	1,890,666	457,974	128,522	586,496
In memoriam gifts	106,308	-	106,308	171,162	-	171,162
Grants	-	30,000	30,000	-	-	-
Tins and collection boxes	15,674	-	15,674	12,618	-	12,618
Coop dividends	14,253	-	14,253	12,862	-	12,862
Gifts in kind and donated services	76,463	-	76,463	49,076	-	49,076
	898,315	1,235,049	2,133,364	703,692	128,522	832,214

Donations to restricted funds are shown by fund in note 18.

Gifts in kind and donated services excludes donations to the value of £39,810 which were for specific fundraising events and are included as income in Note 6.

3 Legacies

	2019			2018		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Legacy gifts	2,630,330	-	2,630,330	1,312,122	-	1,312,122
	2,630,330	-	2,630,330	1,312,122	-	1,312,122

All legacy income was unrestricted in both this year and the prior year.

As at 31 December 2019 life interest legacies gifted to the charity but not included in the financial statements in accordance with Charities SORP and FRS102 ((see note 1(f)) had an estimated life interest value of £541,000 (2018 : £541,000).

4 Shops

	2019 £	2018 £
Income from sale of goods	1,107,063	1,156,968
Costs of buying in goods	13,937	15,846
Staff costs	400,362	316,609
Property costs	99,341	128,399
Other costs	47,512	42,849
Total expenditure from shops	561,152	503,703
Net profit arising from shops (before central cost allocations)	545,911	653,265
Number of shops	2	2

The two shops are in St Ouen and in St Helier.

All shop income in both the current and previous year relates to unrestricted funds.

5 Million pound lottery

	2019 £	2018 £
Income from lottery sales	2,100,000	2,100,000
Bank interest on lottery funds	2,050	1,747
Prize money	(1,300,000)	(1,300,000)
Other lottery costs	(7,804)	(8,287)
Net profit arising from the Million Pound Lottery	794,246	793,460

All Million Pound Lottery income in both the current and previous year relates to unrestricted funds.

JERSEY HOSPICE CARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

6 Fundraising events and activities

	2019			2018		
	£	£	£	£	£	£
	Income	Expenditure	Net income	Income	Expenditure	Net income
Dragonboat Festival	84,179	(37,412)	46,767	65,734	(24,189)	41,545
5000 Club	44,280	(21,858)	22,422	43,296	(23,358)	19,938
Jersey Hospice Care Ball	(3,000)	(177)	(3,177)	242,266	(113,399)	128,867
A Night of Modern Indian Cuisine	142,694	(68,713)	73,981	-	-	-
Jersey Hospice Care Challenge	70,971	(33,678)	37,293	580	(324)	256
Christmas Tree Collection	35,828	(2,180)	33,648	33,747	(44)	33,703
Other fundraising events	319,327	(48,330)	270,997	369,120	(67,793)	301,327
	694,279	(212,348)	481,931	754,743	(229,107)	525,636

During 2019, £17,646 of the income raised by other fundraising events was restricted to services for children and young people. During 2018 the net income from the Jersey Hospice Care Ball of £128,867 was restricted to services for children and young people. All other fundraising event income in both the current and previous year related to unrestricted funds.

7 Investment income

	2019	2018
	£	£
Rental income	52,953	59,464
Income on investment portfolio	182,454	149,159
Bank interest	12,625	16,530
	248,032	225,153

All investment income in both the current and previous year relate to unrestricted funds except for £3,125 (2018:£133) of bank interest received which is restricted to a capital project for children and young people.

8 Income from charitable activities

	2019	2018
	£	£
HCS agreement for community services (restricted)	505,600	500,000
HCS contribution towards Gold Standards Framework Review (restricted)	-	21,000
HCS contribution towards medical staff costs (unrestricted)	14,958	-
HCS contribution towards the provision of certain children's services (unrestricted)	11,500	-
Total income from charitable activities	532,058	521,000

Included in income from charitable activities is government funding from HCS towards the provision of community specialist palliative care services, which is shown as restricted funding. As it is a contribution towards total costs, all income is spent within the calendar year.

9 Net realised and unrealised gains/(losses) on investments

	2019	2018
	£	£
Realised (losses)/gains on the sale of investments	(3,600)	16,984
Unrealised gains/(losses) on revaluation of equity investments	798,314	(427,005)
Unrealised gains on revaluation of investment properties	208,477	60,000
Net realised and unrealised gains/(losses) on investments	1,003,191	(350,021)

JERSEY HOSPICE CARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

10 Analysis of expenditure 2019

	Direct Costs £	Direct support costs £	General support costs £	2019 Total costs £
Shops costs (note 4)	561,152	5,598	156,288	723,038
Fundraising costs (note 6)	212,348	405,720	170,439	788,507
Cost of raising voluntary income	773,500	411,318	326,727	1,511,545
Investment property costs	30,261	-	8,345	38,606
Investment management fees	31,255	-	8,619	39,874
Investment costs	61,516	-	16,964	78,480
Raising funds	835,016	411,318	343,691	1,590,025
In patient care	1,569,863	903,928	682,177	3,155,968
Day Hospice	160,168	78,676	65,864	304,708
Community services	593,078	381,905	268,863	1,243,846
Therapies	200,769	98,190	82,441	381,400
Bereavement	133,421	65,585	54,878	253,884
Children and young people	243,801	110,052	97,579	451,432
Charitable activities	2,901,100	1,638,336	1,251,802	5,791,238
Total	3,736,116	2,049,654	1,595,493	7,381,263

In 2018 the costs associated with the investment properties (£15,244) were included within general support costs. Governance costs include £16,000 audit fees (2018: £16,000) and are recognised within direct support costs. Of the total expenditure of £7,381,263 (2018: £6,786,339), £1,589,882 of the costs of raising funds was unrestricted (2018: £1,344,487), and £143 was restricted (2018: £0). Of the charitable activities expenditure of £5,791,238 (2018: £5,441,852), £966,192 (2018: £730,570) was restricted and £4,825,046 (2018: £4,711,282) was unrestricted.

Analysis of expenditure 2018

	Direct Costs £	Direct support costs £	General support costs £	2018 Total costs £
Shops costs (note 4)	503,703	5,598	120,712	630,013
Fundraising costs (note 6)	229,107	318,030	129,680	676,817
Cost of raising voluntary income	732,810	323,628	250,392	1,306,830
Investment property costs	-	-	-	-
Investment management fees	30,442	-	7,215	37,657
Investment costs	30,442	-	7,215	37,657
Raising funds	763,252	323,628	257,607	1,344,487
In patient care	1,443,597	1,104,038	603,830	3,151,465
Day Hospice	134,176	91,766	53,552	279,494
Community services	743,259	142,656	209,976	1,095,891
Therapies	217,544	148,124	86,669	452,337
Bereavement	129,179	86,175	51,042	266,396
Children and young people	152,775	5,888	37,606	196,269
Charitable activities	2,820,530	1,578,647	1,042,675	5,441,852
Total	3,583,782	1,902,275	1,300,282	6,786,339

JERSEY HOSPICE CARE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

11 Analysis of staff costs and key management

	2019	2018
	£	£
Wages and salaries	4,490,507	4,040,103
Social security costs	252,955	242,323
Pension costs	346,004	243,104
Private Medical insurance	106,167	77,952
Termination payments	84,123	16,346
Ex gratia payments	-	11,850
	<u>5,279,756</u>	<u>4,631,678</u>

The charity trustees were not paid and did not receive any other benefits from employment with the Hospice or its subsidiaries in the year (2018: £nil).

Termination payments were made to 4 employees in 2019 (2018: 3). Termination payments include payments in lieu of notice and compensation and are recognised when the termination of employment is agreed between the parties.

The pension scheme charges the funds an ad valorem fee of 0.63% per annum for management.

The average contract staff head count was 111 and average bank staff head count was 10 (Prior year: 110 and 12 respectively).

The number of employees whose total employee benefits excluding pension contributions earning over £60,000 during the year, classified within bands of £10,000 is as follows:

	2019	2018
£60,000-£69,999	7	5
£70,000-£79,999	2	2
£80,000-£89,999	-	1
£90,000-£99,999	1	-
£100,000-£109,999	-	-
£110,000 - £119,999	-	-
£120,000 - £129,999	-	-
£130,000 - £139,999	-	1
£140,000 - £149,999	<u>1</u>	<u>-</u>

Payments to clinical employees for premium and extra duty are considered to be an employee benefit for the purpose of the above.

Pension contributions relating to staff earning over £60,000 totalled £93,636 in the current year (2018 : £69,259).

The Charity considers that the key management personnel comprise the trustees and the executive directors. The total employee benefits of the key management personnel were £499,503 (2018 : £447,242).

The Charity benefits from the unpaid work of over 450 volunteers, who ably support paid staff in various ways. In total, volunteers gave approximately 53,000 hours which equates to 27 Full Time Equivalent staff.

12 Net incoming resources

	2019	2018
	£	£
Net incoming resources is stated after charging:		
Depreciation (see note 14)	421,858	371,582
Auditors remuneration: for audit services	16,000	16,000
Operating lease rentals	<u>60,732</u>	<u>85,400</u>

During the prior year a one-off payment of £30,000 was made to the lessor of the St Ouen Shop site in relation to the relocation of the entrance of the building as set out under the terms of the lease agreement signed in 2016. This is recognised in operating lease rentals.

13 Operating Leases

At the year end, the Charity had one operating lease commitment in respect of the lease for the St Ouen shop site. A new 15 year lease was signed in 2016, effective from 1 January 2016. The next option to terminate the lease is effective on 1 January 2026. The total of future minimum lease payments payable not later than one year from 31 December 2019 is £60,732 and later than one year and not later than five years is £242,929, subject to rent reviews in line with the Jersey Retail Price Index on 1 January 2021 and 1 January 2024.

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14 Tangible assets

	Freehold property £	Leasehold Alterations £	Fixtures, fittings and equipment £	Uncompleted works £	Total £
Cost or revaluation					
At start of year	17,318,428	107,094	1,233,909	305,505	18,964,936
Additions	-	12,496	72,598	151,742	236,836
Transfers	(1,133,813)	-	356,976	776,837	-
At end of year	16,184,615	119,590	1,663,483	1,234,084	19,201,772
Depreciation					
At start of year	2,223,510	67,942	963,953	-	3,255,405
Transfers	(45,353)	-	-	45,353	-
Charge for the year	283,320	7,012	131,526	-	421,858
At end of year	2,461,477	74,954	1,095,479	45,353	3,677,263
Net book value at the end of the year	13,723,138	44,636	568,004	1,188,731	15,524,509
Net book value at the start of the year	15,094,918	39,152	269,956	305,505	15,709,531

On 1 January 2019, the property known as Highlands Farm was transferred from freehold property to uncompleted works at cost (£1,133,813) less accumulated depreciation (£45,353). In addition, brought forward uncompleted works of £291,505, and in-year additions of £65,471 were transferred to fixtures, fittings and equipment as they related to the completed refurbishment of the in patient unit and bereavement office space.

The land and buildings comprising Clarkson House were valued at £18,000,000 by Mrs Jane Power and Mr Bradley Vowden of Gaudin & Co Limited on an open market value basis with vacant possession as at 31 December 2014. An impairment assessment has been carried out as at 31 December 2019 which concluded that there were no indicators of impairment at that date.

15 Investments

	2019 £		2018 £
a) As start of the year		7,516,950	
Additions		1,362,461	
Disposals		(1,296,046)	
Unrealised (losses)/gains on revaluation equity investments		798,314	
Unrealised gains/(losses) on revaluation of investment property		208,477	
At end of the year		8,590,156	
b) Analysis of investments		2019	2018
		£	£
Investment property		2,035,000	1,725,000
Equities and Fixed interest securities		6,311,686	5,695,455
Cash held as part of the investment portfolio		243,470	96,495
Total group		8,590,156	7,516,950
Equity investment in subsidiaries		20,002	20,002
Loan to subsidiary		650,188	650,188
Total charity		9,260,346	8,187,140

All investments are held in Jersey and the UK.

The investment properties are 42 Maison Belleville, South Gable, three flats in Union Street, Wayside and Finchley (legacy property received in 2018).

The properties were gifted to the Charity as legacies and have therefore been carried at valuation since received. No historical cost information is available. The most recent valuation of the investment properties was undertaken by Buckley & Co Limited as at 31 December 2019.

The investment portfolios are held with Rathbone Investment Management International Limited and UBS AG London. The portfolios returned 16.47% (2018 : -6.15%) and 16.58% (2018 : -2.33%) respectively over the year against an investment objective to generate a return in excess of inflation, which was +2.5% (2018 : 3.9%) for the 12 months to 31 December 2019.

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16 Debtors	2019	2018
	£	£
Trade debtors	4,514,730	5,181,071
Taxation recoverable	31,567	32,569
Prepayments	65,637	81,334
	<u><u>4,611,934</u></u>	<u><u>5,294,974</u></u>

Trade debtors includes £4,494,520 (2018 : £5,144,000) relating to outstanding legacies.

17 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	142,649	89,623
Other taxes and social security	99,398	92,063
Accruals	76,357	140,583
Receipts in advance	400,740	64,715
	<u><u>719,144</u></u>	<u><u>386,984</u></u>

18 Restricted funds

	Balance at the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	Balance at end of the year £
Bereavement	7,416	-	-	-	7,416
Day Hospice	15,589	-	(524)	-	15,065
In Patient Unit	15,925	57,750	(1,317)	-	72,358
Complementary Therapies	16,562	-	(292)	-	16,270
Education	34,865	-	-	-	34,865
Physiotherapy and Lymphodema Therapies	3,729	-	(3,729)	-	-
Financial assistance	586	-	(586)	-	-
Children and young people (services)	4,390	-	-	-	4,390
Children and young people (build)	-	71,959	(451,432)	379,473	-
Chairman's fund	172,950	1,125,771	(143)	-	1,298,578
Staff Fund	1,000	-	(1,000)	-	-
HCS agreement for services	1,566	340	(1,712)	-	194
	-	505,600	(505,600)	-	-
Total	<u><u>274,578</u></u>	<u><u>1,761,420</u></u>	<u><u>(966,335)</u></u>	<u><u>379,473</u></u>	<u><u>1,449,136</u></u>

The HCS agreement is restricted to community specialist palliative care services, including the role of system leadership and training for end of life care services across Jersey.

Children and Young People (build) - The balance carried forward of £1,298,578 relates to restricted donations to be applied to a capital project for the provision of services to children and young people. A sub-committee has been appointed to explore capital project options and costings for consideration by the Council of Trustees. During the year the costs of running services to children and young people exceeded the donations and fundraising income generated by £379,473 and therefore a transfer from the General Fund was made.

Other income relates to small specific donations and fundraising events with the exception of the staff fund for which income was received from staff as a contribution to the staff Christmas party and other events, which were then funded from this restricted fund.

Restricted funds are held in the form of cash.

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19 Unrestricted funds

	Balance at the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	Balance at end of the year £
General Fund	15,648,556	6,180,017	(6,336,448)	8,091,545	23,583,670
Designated General Reserves	2,943,455	-	-	(2,943,455)	-
Total General Funds	<u>18,592,011</u>				<u>23,583,670</u>
Designated Investment Fund	9,439,964	1,238,598	(78,480)	(2,009,926)	8,590,156
Designated Capital Fund	3,517,637	-	-	(3,517,637)	-
Total	<u><u>31,549,612</u></u>	<u><u>7,418,615</u></u>	<u><u>(6,414,928)</u></u>	<u><u>(379,473)</u></u>	<u><u>32,173,826</u></u>

In 2016, the Trustees created three designated funds from the Charity's general funds; the Designated General Reserves, the Designated Capital Fund and the Designated Investment Fund. The Trustees have agreed to manage the annual and future allocation of reserves through the budgeting process, and hence the balances of the Designated General Reserves and the Designated Capital Fund were transferred back to the General Fund.

The transfer from Unrestricted Funds during the year related to a contribution towards the operational costs of services for children and young people in the sum of £379,473 (2018 : £33,547). The corresponding transfer can be seen in Restricted Funds in Note 18.

Investment Fund - The Investment Fund is represented by £2,035,000 (2018 : £1,725,000) of investment properties and £6,555,156 (2018 : £5,791,950) of equities and cash held in investment portfolios.

20 Related party transactions

In the normal course of business, goods to the value of £524 (2018: £595) were purchased from the Channel Islands Co-operative Society Limited (CICOSL), a related party through a trustee, Colin Macleod. In addition, £14,253 was received from CICOSL in the form of dividends paid out, and £315 was received for meeting room hire and catering. All transactions were at open market value.

During the year £500 (2018: £467) was paid to La Mare Vineyards Limited, a related party through a trustee, Tim Crowley. All transactions were for catering services and were charged at arms' length prices. On three occasions, La Mare Vineyards Limited provided a meeting venue free of charge, which has been recognised as a gift in kind in the financial statements.

During 2019, £4,466 was paid to Morvan Hotels, a related party through a trustee, Adrian Gordon. Of this amount, £1,406 related to accommodation provided to relocating employees and £3,060 for venue hire and catering for a fundraising event. All transactions were at open market value.

None of the Trustees have been paid remuneration or received any other benefits from an employment with Jersey Hospice Care or its related entities during the year (2018: £0). The Chairman was reimbursed expenses of £106 during the year and a further £90 was paid on her behalf. Both amounts related to travel expenses (2018: £321).

During the year a related party employed by Jersey Hospice Care received a payment of £10,000 in respect of winnings in the Million Pound Lottery. The individual was not involved in the distribution of tickets or the prize draw. The draw entry was in accordance with the terms and conditions printed on each ticket and was on an arm's length basis.

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21 Reconciliation of net cash provided by/(used in) operating activities

	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the Consolidated Statement of Financial Activities)	1,798,772	(1,499,267)
Adjustments for:		
Depreciation charges	421,858	371,582
Unrealised (gains)/losses on investments	(1,003,191)	350,021
Dividends, interest and rents from investments	(248,032)	(225,153)
Increase in stocks	(501)	(383)
Decrease in debtors	683,040	765,170
Increase/(decrease) in creditors	332,160	(316)
Net cash provided by/(used in) operating activities	<u>1,984,106</u>	<u>(238,346)</u>

22 Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	180	224
Current and reserve accounts	3,608,588	1,170,938
Notice deposits (less than 3 months)	2,000,000	2,512,319
Total cash and cash equivalents	<u>5,608,768</u>	<u>3,683,481</u>

23 Events after the reporting period

Following the global outbreak of COVID-19 and the subsequent impact on the global equities market, the combined market value of the investment portfolios held by the Charity has fallen significantly since the reporting date. The market value as at 17 March 2020 was £5,189,399, representing an unrealised loss of £1,365,757.