

REGISTERED COMPANY NUMBER: 02216886 (England and Wales)  
REGISTERED CHARITY NUMBER: 519931

**Report of the Trustees and  
Audited Financial Statements  
for the Year Ended 31 March 2020  
for  
St Kentigern Hospice  
(A Company Limited by Guarantee)**

Salisbury & Company Business Solutions Limited  
Statutory Auditors  
Chartered Accountants  
Irish Square  
Upper Denbigh Road  
St Asaph  
Denbighshire  
LL17 0RN

# St Kentigern Hospice

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**St Kentigern Hospice**  
**Report of the Trustees**  
**for the year ended 31 March 2020**

The Trustees who are also Directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 March 2020. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The charity's objective, and its principal activity, continues to be providing specialist palliative care, in both day care and our inpatient unit, for the terminally ill and for patients with long term conditions. We not only support the patients, but also their families and carers.

The Hospice works closely with the Local Health Board, Cancer Treatment Centre, other charitable organisations and our own team of volunteers to provide care and support to patients, their families and carers.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance and comply with the Charities Act 2011 s17(5) on public benefit when reviewing the charity's aims, objectives and operations and setting the policy for the year.

**Significant activities**

**Building on the 5 Year Strategy - year 4**

2019-20 was heavily engaged with the capital scheme for the refurbishment and extension of the hospice building. In April the inpatient beds were already closed due to noise and dust contamination, as it was not conducive to dignified and empathetic care. Inpatient staff were deployed to other areas and educational activities, thus continuing to support training and insight of the hospice principles of other health providers.

Day therapy activity was firmly established in Bowen Court in St Asaph, a rented property, allowing us to provide a limited but highly valued day therapy service. Bereavement, chaplaincy and family support worked hand in glove and their experience in a different environment has seen opportunities to support more people and their families. We will continue with this model when we return to the new hospice estate.

Fundraising as reported in the 2018-19 trustee report continued to operate from the Chapel in Mount Road St Asaph, a rented property. Fundraising throughout the year of 2019 -20 found activity design and delivery extremely challenging, compounded by changes in staff.

Staffing numbers had reduced prior to the bed closure due to retiring staff not being replaced knowing that there would be a period of no inpatient activity.

The Estate Project Group worked diligently and transparently with the main contractor and the architect. Some modification to the design had to be made and other areas included such as the removal of the chimneys on the original building and the replacement of the roof.

As we progressed to the later part of 2019, we developed scenario plans for relocation of day therapy and fundraising back to the main hospice.

During the first two months of 2020 all staff were getting familiarised with the new operating procedures, fire evacuation, Information Management and technology and changes to service delivery. It was with some relief that we opened our doors to Day Therapy in February 2020 and inpatients in March 2020, although Day therapy were delivering services in February.

We believed that with the new build would come the new expanded service portfolio of St Kentigern and a brighter future. We could not predict the impact of Covid 19 that saw us have to close the beds in the latter part of March 2020, and curtail retail and fundraising activities.

The continued generosity of our supporters, donators, lottery players and those who participated in our fundraising activities in year allowed us to maintain a public profile and generate a level of income.

## St Kentigern Hospice

### Report of the Trustees for the year ended 31 March 2020

#### FINANCIAL REVIEW

##### Financial position

The statement of financial activities shows a net deficit of £223,043 and our reserves stand at £4,992,702, which includes cash at bank of £249,556. The result is excellent, given the current economic climate we face.

St Kentigern Trading Limited produced a surplus, donated to the charity, of £71,191 and St Kentigern Promotions Limited a surplus, donated of £217,024. Both subsidiaries' results are excellent.

Our objective is to provide sustainable end of life care and we constantly measure and review our performance against budget and future plans.

We are always very grateful to our volunteers and supporters, who contribute in so many ways and who have been so generous in supporting the Hospice and our staff.

##### Investment policy and objectives

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the Trustees see fit. Surplus funds are deposited at the best rates of return provided by our bankers.

##### Reserves policy

The Trustees' policy is to ensure that reserves and funding are sufficient to support the continuation of the day therapy and residential unit for more than twelve months. The Trustees are confident that fundraising, donations and government funding will continue to increase and consider that the current reserves of the charity are satisfactory.

##### Going concern

The Trustees have prepared income and expenditure and cash flow forecasts to 31st March 2022 and are satisfied that the financial statements should be prepared on a going concern basis. Cash balances are deemed sufficient to meet any outgoings for the next 12 months.

#### FUTURE PLANS

We will continue to monitor our performance against our strategy, develop closer relationships with Managers and maximise the number of patients and their families that we can support.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

##### Recruitment and appointment of new trustees

Trustees are appointed by election at the Annual General Meeting.

Trustees come from various backgrounds, with a variety of skills and expertise, and newly appointed Trustees undergo an induction to the objectives, scope and policies of the charity and a skills analysis to assess their strengths and any weaknesses, which may require training.

##### Organisational structure

St Kentigern Hospice is a registered charity and company limited by guarantee and governed by the association.

A board of Trustees of 13 members who meet bi-monthly set the strategy of the charity.

An experienced health service professional, who is also a clinician, has been employed as the Chief Executive to control the Hospice operations. A Manager administers the day to day operations of the hospice. An Advanced Nurse Practitioner and senior nurses manage the clinical provision. A physiotherapist is the leader of the therapy unit, but we are presently reviewing the day care unit. We are supported by an increasing number of volunteers in all aspects of our work within the hospice, in fundraising and in our shops.

##### Related parties

The charity has two wholly owned trading subsidiaries: St Kentigern Trading Limited, which operates shops selling donated goods, and St Kentigern Promotions Limited, which operates a lottery and one wholly owned dormant subsidiary: St Kentigern Marketing Limited.

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Registered Company number

02216886 (England and Wales)

##### Registered Charity number

519931

**St Kentigern Hospice**

**Report of the Trustees  
for the year ended 31 March 2020**

**Registered office**

Upper Denbigh Road  
St Asaph  
Denbighshire  
LL17 0RS

**Trustees**

DR U Bisarya  
Mrs S B England  
Mrs S J Last  
Professor M Lloyd Williams (resigned 3/4/19)  
Mr J P O'Toole Chairman  
Mrs J A Owen  
Reverend M Williams  
Ms G R Thompson  
Mr J E Osborne  
Ms N Porter  
Mr J R Owen  
Mrs J A Davies (appointed 31/5/19)  
Mr K Jones-Pritchard

**Company Secretary**

Mrs J A Owen

**Auditors**

Salisbury & Company Business Solutions Limited  
Statutory Auditors  
Chartered Accountants  
Irish Square  
Upper Denbigh Road  
St Asaph  
Denbighshire  
LL17 0RN

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also the Directors of St Kentigern Hospice for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

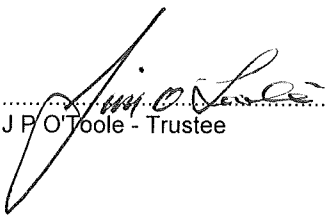
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Salisbury & Company Business Solutions Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on ..... 18/11/20 ..... and signed on its behalf by:

St Kentigern Hospice  
Report of the Trustees  
for the year ended 31 March 2020



.....  
Mr J P O'Toole - Trustee

## Report of the Independent Auditors to the Members of St Kentigern Hospice

### Opinion

We have audited the financial statements of St Kentigern Hospice (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Report of the Independent Auditors to the Members of  
St Kentigern Hospice**

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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, and for such internal control as the trustees determine 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 trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our 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 a Report of the Independent Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Salisbury and Company Business Solutions Limited*

Aled Roberts BA FCA (Senior Statutory Auditor)  
for and on behalf of Salisbury & Company Business Solutions Limited  
Statutory Auditors  
Chartered Accountants  
Irish Square  
Upper Denbigh Road  
St Asaph  
Denbighshire  
LL17 0RN

Date: 18/11/20



St Kentigern Hospice

Statement of Financial Activities  
for the year ended 31 March 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	446,900	-	446,900	251,039
<b>Charitable activities</b>					
Raising funds	5	316,752	12,808	329,560	294,126
Other trading activities	3	1,082,201	-	1,082,201	1,050,571
Investment income	4	6,372	-	6,372	10,543
Other income		21,137	-	21,137	56,880
<b>Total</b>		<b>1,873,362</b>	<b>12,808</b>	<b>1,886,170</b>	<b>1,663,159</b>
<b>EXPENDITURE ON</b>					
Raising funds	6	713,911	-	713,911	697,516
<b>Charitable activities</b>					
Charitable activities	7	1,288,140	14,654	1,302,794	1,455,441
Other expenditure		81,733	-	81,733	45,739
<b>Total</b>		<b>2,083,784</b>	<b>14,654</b>	<b>2,098,438</b>	<b>2,198,696</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>(210,422)</b>	<b>(1,846)</b>	<b>(212,268)</b>	<b>(535,537)</b>
<b>Transfers between funds</b>	23	<b>1,845,262</b>	<b>(1,845,262)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>					
Gains/(losses) on revaluation of fixed assets		(10,775)	-	(10,775)	182,368
<b>Net movement in funds</b>		<b>1,624,065</b>	<b>(1,847,108)</b>	<b>(223,043)</b>	<b>(353,169)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>3,298,959</b>	<b>1,916,786</b>	<b>5,215,745</b>	<b>5,568,914</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>4,923,024</b>	<b>69,678</b>	<b>4,992,702</b>	<b>5,215,745</b>

St Kentigern Hospice

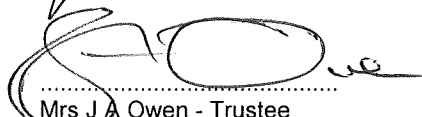
Balance Sheet  
31 March 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	18	3,401,412	431,850	3,833,262	1,409,591
Investments	19	1,559,338	-	1,559,338	3,475,114
		<u>4,960,750</u>	<u>431,850</u>	<u>5,392,600</u>	<u>4,884,705</u>
<b>CURRENT ASSETS</b>					
Debtors	20	115,684	-	115,684	408,909
Cash at bank		178,032	71,524	249,556	541,228
		<u>293,716</u>	<u>71,524</u>	<u>365,240</u>	<u>950,137</u>
<b>CREDITORS</b>					
Amounts falling due within one year	21	(331,442)	(433,696)	(765,138)	(619,097)
		<u>(37,726)</u>	<u>(362,172)</u>	<u>(399,898)</u>	<u>331,040</u>
<b>NET CURRENT ASSETS</b>					
		<u>4,923,024</u>	<u>69,678</u>	<u>4,992,702</u>	<u>5,215,745</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>4,923,024</u>	<u>69,678</u>	<u>4,992,702</u>	<u>5,215,745</u>
<b>NET ASSETS</b>					
		<u>4,923,024</u>	<u>69,678</u>	<u>4,992,702</u>	<u>5,215,745</u>
<b>FUNDS</b>					
	23				
Unrestricted funds:					
General fund				4,923,024	3,298,959
Restricted funds:					
Designated fund				69,678	1,916,786
<b>TOTAL FUNDS</b>					
				<u>4,992,702</u>	<u>5,215,745</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 18/11/20 and were signed on its behalf by:

  
Mr J P O'Toole - Trustee

  
Mrs J A Owen - Trustee

**St Kentigern Hospice**

**Cash Flow Statement  
for the year ended 31 March 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	291,529	(380,108)
Net cash provided by/(used in) operating activities		291,529	(380,108)
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(2,494,573)	(881,235)
Sale of tangible fixed assets		-	1,200
Sale of fixed asset investments		1,905,000	731,000
Interest received		6,372	10,543
Net cash used in investing activities		(583,201)	(138,492)
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period		(291,672)	(518,600)
Cash and cash equivalents at the end of the reporting period		541,228	1,059,828
Cash and cash equivalents at the end of the reporting period		249,556	541,228

The notes form part of these financial statements

St Kentigern Hospice

Notes to the Cash Flow Statement  
for the year ended 31 March 2020

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
<b>Net expenditure for the reporting period (as per the Statement of Financial Activities)</b>	(212,268)	(535,537)
<b>Adjustments for:</b>		
Depreciation charges	67,955	34,128
Loss/(profit) on disposal of fixed assets	2,948	(854)
Interest received	(6,372)	(10,543)
Decrease/(increase) in debtors	293,225	(319,816)
Increase in creditors	146,041	452,514
<b>Net cash provided by/(used in) operations</b>	<u>291,529</u>	<u>(380,108)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/19 £	Cash flow £	At 31/3/20 £
<b>Net cash</b>			
Cash at bank	541,228	(291,672)	249,556
	<u>541,228</u>	<u>(291,672)</u>	<u>249,556</u>
<b>Total</b>	<u>541,228</u>	<u>(291,672)</u>	<u>249,556</u>

## St Kentigern Hospice

### Notes to the Financial Statements for the year ended 31 March 2020

#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

##### **Income**

Incoming resources represent amounts raised from fundraising, shops trading, grants, donations and income gift aided by subsidiary trading companies. Fundraising and donations income is recognised when received and banked. Retail income is recognised at point of sale. Gifts donated for sale are included income at the point of sale. No amounts are included in the financial statements for services donated by volunteers.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate is granted, the estate has been finalised and notification has been made by the executors to the hospice that a distribution will be made, or 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 been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grants receivable are set against capital expenditure to which they relate in the period in which the charity is entitled to receipt. Revenue grants are included in the period they are received.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Allocation and apportionment of costs**

Overhead and support costs are allocated between charitable activities and governance costs.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold improvements	- Straight line over 40 years
Technology and equipment	- 20% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on reducing balance

##### **Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

##### **Donated Services**

The basis of valuation for donated services of volunteers is that deemed costs are not recognised within the statement of financial activities.

## St Kentigern Hospice

### Notes to the Financial Statements - continued for the year ended 31 March 2020

#### 1. ACCOUNTING POLICIES - continued

##### **Pension Scheme**

A defined benefit pension scheme is operated for all eligible employees. The assets of the scheme are held separately by the National Health Service Superannuation Scheme. Contributions to the scheme are charged to the profit and loss account as these are incurred. This pension scheme does not have a real pension fund but, as a statutory scheme, benefits are fully guaranteed by the government. Contributions from both members and employers are paid to the exchequer, which meet the cost of increasing benefits each year by the rate of inflation. This extra cost is not met by contributions from scheme members and employers. As a result of the nature of the pension scheme, there are no separately identifiable assets and liabilities which can be identified as relating to St Kentigern Hospice. Therefore, as permitted by FRS 102, the scheme has been accounted for as a defined contribution scheme.

##### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred. VAT 126 claims for VAT relating to non-trading expenditure of the charity started being submitted in April 2015.

##### **Group Accounts**

These financial statements consolidate the results of the charity and its subsidiary companies, St Kentigern Promotions Limited and St Kentigern Trading Limited on a line by line basis. A separate Statement of Financial Activities for the charity is not presented because the charity has taken advantage of the exemptions afforded by paragraph 393 of the SORP and section 408 of the Companies Act 2006. The charity owns shares in St Kentigern Trading Limited, St Kentigern Promotions Limited and St Kentigern Marketing Limited (dormant) and directors of these companies are also directors of the charity.

##### **Going concern**

Within the financial year the World Health Organisation (WHO) declared Covid-19 as a worldwide pandemic. In relation to this the trustees have reviewed the charity's performance and all other considerations, and as a result believe that the going concern basis is reasonable.

##### **Investments**

Investments are included in the financial statements at market value. Realised gains and losses are recognised in the accounts on disposal of the investment and unrealised gains and losses reflect the movement in market value from the previous period end, or from the value at acquisition if later.

##### **Stocks**

Stock and work in progress is value at the lower of cost and net realisable value. Gifts donated to hospice shops are valued at a nil cost and included as income at the point of sale.

##### **Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

##### **Cash and cash equivalents**

Cash at bank and cash in hand include cash within bank accounts held by the charity and its trading subsidiaries and cash float amounts.

##### **Costs of raising donation and legacies**

The costs of generating donations and legacies include the salaries of the fundraising team and the associated overheads.

##### **Charitable activities**

The costs of charitable activities include the salaries of the medical, nursing and catering staff, costs of therapies, medical requirements and premises costs.

##### **Bank interest**

The Charity recognises bank interest on maturity and receipt, rather than when accrued.

St Kentigern Hospice

Notes to the Financial Statements - continued  
for the year ended 31 March 2020

<b>2. DONATIONS AND LEGACIES</b>		2020	2019
		£	£
Donations		157,650	204,992
Legacies		289,250	46,047
		<u>446,900</u>	<u>251,039</u>
<b>3. OTHER TRADING ACTIVITIES</b>		2020	2019
		£	£
Fundraising events		227,687	155,998
Shop income		473,724	524,077
Lottery		361,721	358,205
Support groups		19,069	12,291
		<u>1,082,201</u>	<u>1,050,571</u>
<b>4. INVESTMENT INCOME</b>		2020	2019
		£	£
Investment income		6,372	10,543
		<u>6,372</u>	<u>10,543</u>
<b>5. INCOME FROM CHARITABLE ACTIVITIES</b>		2020	2019
		£	£
Grants	Activity	329,560	294,126
	Raising funds		
		<u>329,560</u>	<u>294,126</u>
Grants received, included in the above, are as follows:			
		2020	2019
		£	£
Local Health Boards		202,295	177,912
Welsh Assembly Government		97,140	97,140
Trust and charitable grants		30,125	19,074
		<u>329,560</u>	<u>294,126</u>
<b>6. RAISING FUNDS</b>			
<b>Raising donations and legacies</b>		2020	2019
		£	£
Staff costs		323,832	321,265
Goods for resale & shop costs		237,451	223,661
Van costs		12,499	13,048
Office costs		26,303	23,466
Lottery prizes		93,600	93,600
Lottery costs		20,226	22,476
		<u>713,911</u>	<u>697,516</u>

St Kentigern Hospice

Notes to the Financial Statements - continued  
for the year ended 31 March 2020

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Charitable activities	1,302,794	-	1,302,794
Other expenditure	43,798	37,935	81,733
	<u>1,346,592</u>	<u>37,935</u>	<u>1,384,527</u>

8. SUPPORT COSTS

	Finance £	Other £	Governance costs £	Totals £
Other expenditure	<u>3,967</u>	<u>30,300</u>	<u>3,668</u>	<u>37,935</u>

Support costs, included in the above, are as follows:

**Finance**

	2020 Other expenditure £	2019 Total activities £
Bank charges	<u>3,967</u>	<u>6,960</u>

**Other**

	2020 Other expenditure £	2019 Total activities £
Management wages	<u>30,300</u>	<u>30,300</u>

**Governance costs**

	2020 Other expenditure £	2019 Total activities £
Auditors' remuneration	<u>3,668</u>	<u>3,500</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	3,668	3,500
Depreciation - owned assets	67,954	34,128
(Deficit)/surplus on disposal of fixed assets	<u>2,948</u>	<u>(854)</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.



St Kentigern Hospice

Notes to the Financial Statements - continued  
for the year ended 31 March 2020

11. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	1,247,291	1,317,885
Social security costs	99,793	104,513
Pension costs	87,945	83,967
	<u>1,435,029</u>	<u>1,506,365</u>

**Key management personnel compensation**

The total compensation paid to key management personnel during the year was £163,046 (2019: £138,154).

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

	2020	2019
Administration	6	6
Hospice operations	38	38
Fundraising	14	14
	<u>58</u>	<u>58</u>

No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	251,039	-	251,039
<b>Charitable activities</b>			
Raising funds	294,126	-	294,126
Other trading activities	1,050,571	-	1,050,571
Investment income	10,543	-	10,543
Other income	56,880	-	56,880
<b>Total</b>	<u>1,663,159</u>	<u>-</u>	<u>1,663,159</u>
<b>EXPENDITURE ON</b>			
Raising funds	697,516	-	697,516
<b>Charitable activities</b>			
Charitable activities	1,455,441	-	1,455,441
Other expenditure	45,739	-	45,739
<b>Total</b>	<u>2,198,696</u>	<u>-</u>	<u>2,198,696</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>(535,537)</u>	<u>-</u>	<u>(535,537)</u>
<b>Transfers between funds</b>	<u>(1,916,786)</u>	<u>1,916,786</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>			
Gains on revaluation of fixed assets	182,368	-	182,368
<b>Net movement in funds</b>	<u>(2,269,955)</u>	<u>1,916,786</u>	<u>(353,169)</u>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	5,568,914	-	5,568,914

St Kentigern Hospice

Notes to the Financial Statements - continued  
for the year ended 31 March 2020

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	3,298,959	1,916,786	5,215,745

13. PENSIONS

The charity provides a defined contributions scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions to this scheme are charged to the profit and loss account as they become payable. Employer contributions of £87,944 (2019 - £83,967) and employee contributions of £58,843 (2019 - £52,960) were payable to the fund during the year.

14. FINANCIAL PERFORMANCE OF ST KENTIGERN HOSPICE

The consolidated Statement of Financial Activities includes the results of the hospice's wholly owned subsidiaries, St Kentigern Promotions Limited and St Kentigern Trading Limited.

The summary financial performance of the hospice alone is:

	2020 £	2019 £
Donations and legacies	446,900	267,517
Other trading activities	242,943	168,289
Investment income	6,372	10,543
Grants	329,560	275,052
Other income	21,137	56,880
	1,046,912	778,281
Expenditure on fundraising	(152,851)	(158,352)
Expenditure on charitable activities	(1,361,767)	(1,455,441)
Support costs	(34,935)	(41,172)
Net gains/(losses) on investments	(10,775)	182,368
Net incoming resources - surplus/(deficit)	(513,416)	(694,315)

15. FINANCIAL PERFORMANCE OF ST KENTIGERN PROMOTIONS LIMITED

St Kentigern Hospice owns the entire share capital of St Kentigern Promotions Limited (company no.03265191), which operates a lottery and donates its surplus to the hospice on an annual basis.

The trading results of St Kentigern Promotions Limited, as extracted from the financial statements, are summarised below:

	2020 £	2019 £
Lottery income	361,721	358,205
Donations	3,813	2,595
	365,534	360,800
Expenditure on fundraising	(148,519)	(155,140)
Net surplus	217,015	205,660
Donation to hospice	(217,015)	(205,660)
Retained in subsidiary	-	-

The assets and liabilities of the subsidiary were:

Current assets	52,905	53,011
Current liabilities	(52,784)	(52,881)
Total net assets/(liabilities)	130	130

St Kentigern Hospice

Notes to the Financial Statements - continued  
for the year ended 31 March 2020

15. FINANCIAL PERFORMANCE OF ST KENTIGERN PROMOTIONS LIMITED - continued

	<u>          </u>	<u>          </u>
Aggregate share capital and reserves	130	130
	<u>          </u>	<u>          </u>

16. FINANCIAL PERFORMANCE OF ST KENTIGERN TRADING LIMITED

St Kentigern Hospice owns the entire share capital of St Kentigern Trading Limited (company no. 03265016), which operates the trading activities on behalf of the hospice in the form of charity shops and donates its profits to the hospice on an annual basis.

The trading results of St Kentigern Trading Limited, as extracted from the financial statements, are summarised below:

	2020	2019
	£	£
Merchandise sales income	473,724	524,077
	<u>          </u>	<u>          </u>
Expenditure on fundraising	(386,238)	(384,024)
Support costs	(3,354)	(4,567)
	<u>          </u>	<u>          </u>
Net surplus	84,132	135,486
Amount donated to St Kentigern Hospice	(84,133)	(135,486)
	<u>          </u>	<u>          </u>
Retained in subsidiary	-	-
	<u>          </u>	<u>          </u>

The assets and liabilities of the subsidiary were:

Current assets	34,377	29,908
Current liabilities	(34,375)	(29,905)
	<u>          </u>	<u>          </u>
Total net assets/(liabilities)	2	3
	<u>          </u>	<u>          </u>
Aggregate share capital and reserves	2	3
	<u>          </u>	<u>          </u>

17. FINANCIAL PERFORMANCE OF ST KENTIGERN MARKETING LIMITED

St Kentigern Hospice owns the entire share capital of St Kentigern Marketing Limited (company no. 03265049), which has remained dormant during the year.

St Kentigern Hospice

Notes to the Financial Statements - continued  
for the year ended 31 March 2020

18. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Leasehold improvements £	Technology and equipment £
<b>COST</b>			
At 1 April 2019	912,004	916,803	-
Additions	-	2,018,440	81,141
Disposals	-	-	-
Reclassification	-	-	30,585
At 31 March 2020	912,004	2,935,243	111,726
<b>DEPRECIATION</b>			
At 1 April 2019	486,677	-	-
Charge for year	22,800	18,345	9,605
Eliminated on disposal	-	-	-
Reclassification/transfer	-	-	5,842
At 31 March 2020	509,477	18,345	15,447
<b>NET BOOK VALUE</b>			
At 31 March 2020	402,527	2,916,898	96,279
At 31 March 2019	425,327	916,803	-
	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 April 2019	235,864	38,198	2,102,869
Additions	394,992	-	2,494,573
Disposals	(4,900)	-	(4,900)
Reclassification	(30,585)	-	-
At 31 March 2020	595,371	38,198	4,592,542
<b>DEPRECIATION</b>			
At 1 April 2019	185,143	21,458	693,278
Charge for year	13,539	3,665	67,954
Eliminated on disposal	(1,952)	-	(1,952)
Reclassification/transfer	(5,842)	-	-
At 31 March 2020	190,888	25,123	759,280
<b>NET BOOK VALUE</b>			
At 31 March 2020	404,483	13,075	3,833,262
At 31 March 2019	50,721	16,740	1,409,591

All fixed assets of the group are owned by the Hospice.

St Kentigern Hospice

Notes to the Financial Statements - continued  
for the year ended 31 March 2020

19. FIXED ASSET INVESTMENTS

	Investments £
<b>MARKET VALUE</b>	
At 1 April 2019	3,475,114
Disposals	(1,905,000)
Unrealised investment gains	(10,776)
At 31 March 2020	<u>1,559,338</u>
<b>NET BOOK VALUE</b>	
At 31 March 2020	<u>1,559,338</u>
At 31 March 2019	<u>3,475,114</u>

There were no investment assets outside the UK.

All investments of the group are held within the hospice.

Investment portfolios are held with Brewin Dolphin and Rathbones.

20. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Hospice 2020 £	Group 2019 £	Hospice 2019 £
VAT	3,742	-	40,432	36,816
Prepayments	28,545	16,818	26,705	14,442
Sundry debtors	83,397	99,656	341,772	358,901
	<u>115,684</u>	<u>116,475</u>	<u>408,909</u>	<u>410,159</u>

Debtors are all receivable within one year

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Hospice 2020 £	Group 2019 £	Hospice 2019 £
Trade creditors	11,815	7,205	134,801	131,412
Accruals	16,749	14,397	21,976	16,796
Deferred income	624,857	572,074	387,183	334,318
PAYE liability	41,426	38,225	39,656	35,715
Other creditors	70,289	70,289	35,481	35,481
	<u>765,138</u>	<u>702,191</u>	<u>619,097</u>	<u>553,722</u>

Creditors are all payable within one year.

Deferred income represents income received in advance towards the extension of the Hospice, and will be released in line with the life of the leasehold agreement.

St Kentigern Hospice

Notes to the Financial Statements - continued  
for the year ended 31 March 2020

22. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	936	250
Between one and five years	3,510	
	<u>4,446</u>	<u>250</u>

At 31st March 2012, the charity had annual commitments of £10 under a non cancellable operating lease, which expires on 31st August 2034.

During the year, £205 has been recognised within the financial statements as an expense relating to operating leases.

23. MOVEMENT IN FUNDS

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
<b>Unrestricted funds</b>				
General fund	3,298,959	(221,197)	1,845,262	4,923,024
<b>Restricted funds</b>				
Capital expansion fund	-	(1,846)	1,846	-
Designated fund	1,916,786	-	(1,847,108)	69,678
	<u>1,916,786</u>	<u>(1,846)</u>	<u>(1,845,262)</u>	<u>69,678</u>
<b>TOTAL FUNDS</b>	<u>5,215,745</u>	<u>(223,043)</u>	<u>-</u>	<u>4,992,702</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	1,873,362	(2,083,784)	(10,775)	(221,197)
<b>Restricted funds</b>				
Capital expansion fund	12,808	(14,654)	-	(1,846)
<b>TOTAL FUNDS</b>	<u>1,886,170</u>	<u>(2,098,438)</u>	<u>(10,775)</u>	<u>(223,043)</u>

Comparatives for movement in funds

	At 1/4/18 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
<b>Unrestricted funds</b>				
General fund	5,568,914	(353,169)	(1,916,786)	3,298,959
<b>Restricted funds</b>				
Designated fund	-	-	1,916,786	1,916,786
<b>TOTAL FUNDS</b>	<u>5,568,914</u>	<u>(353,169)</u>	<u>-</u>	<u>5,215,745</u>

**St Kentigern Hospice**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2020**

**23. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	1,663,159	(2,198,696)	182,368	(353,169)
<b>TOTAL FUNDS</b>	<u>1,663,159</u>	<u>(2,198,696)</u>	<u>182,368</u>	<u>(353,169)</u>

**Restricted funds**

The restricted fund represents monies received by the Charity from various funding bodies and donors. Restrictions have been placed on how the monies are spent by the funders, and as a result they have been recognised within restricted reserves.

**Designated funds**

Funds which have been allocated by the Trustees to be used in connection with the building expansion project have been allocated to a designated fund. As at the year end, a retention was outstanding to the developers of the hospice, and as a result this amount has been allocated to the designated reserve.

**24. CAPITAL COMMITMENTS**

	2020 £	2019 £
Contracted but not provided for in the financial statements	-	2,494,690

**25. RELATED PARTY DISCLOSURES**

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

There were no related party transactions for the year ended 31 March 2020.

**26. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is the board of trustees.

**27. LEGAL STATUS OF THE CHARITY**

The charity operates as a registered company, limited by guarantee. The number of guarantees being eleven. The liability of each guarantor is limited to £1.

**28. TRUSTEE TRANSACTIONS**

During the financial year ended 31st March 2020, there were no transactions between the company and the trustees.