



# **Jersey Hospice Care**

*your care, your choice, your time*

**JERSEY HOSPICE CARE**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**JERSEY HOSPICE CARE  
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YEAR ENDED 31 DECEMBER 2018**

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**JERSEY HOSPICE CARE  
ANNUAL REPORT OF THE TRUSTEES  
YEAR ENDED 31 DECEMBER 2018**

The Trustees present their report and the audited financial statements for the year ended 31 December 2018. 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.

**1. 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 new regulatory arrangements of the Charities (Jersey) Law 2014 (number 30).

'Kind and caring staff. Always so friendly even when the patient was agitated. I couldn't think of one thing that could be improved. Jersey Hospice and all its staff were worth their weight in gold!'

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**Council:** Jersey Hospice Care is administered by a Council. The trustees during the year ending 31 December 2018 and up to the date of signing this report were:

Mrs Julie Coward	Chair
Mrs Rachael Glover-Wright	Honorary Secretary (appointed as a trustee on 25 September 2018 and as Honorary Secretary on 24 October 2018)
Mr Eric Bertrand	Honorary Treasurer
Mr Ian Shepherd	(resigned as Honorary Secretary on 24 October 2018)
Mr Steven Hunt	
Dr Calum McClymont	
Mr Stuart Catchpole	
Mr Geof Dingle	(resigned 24 July 2018)
Mr Tim Crowley	(appointed 1 January 2018)
Mr Adrian Gordon	(appointed 20 March 2018)
Mr Colin Macleod	(appointed 26 June 2018)
Mr Paul Hughes	(appointed 24 July 2018)
Mr Mark James	(appointed 11 December 2018)

**Executive Directors:**

Emelita Robbins	Chief Executive Officer
Gail Caddell	Director of Palliative Care Services
Amy Taylor	Director of Finance
Honor Blain	Director of Workforce and Organisational Development

**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	Lloyds Bank International Limited
16 Library Place	9 Broad Street
St Helier	St Helier
Jersey	Jersey
JE4 8NH	JE4 8NG

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**Legal Advisors:**

Ogier	Carey Olsen
Ogier House	47 Esplanade
44 Esplanade	St Helier
St Helier	Jersey
Jersey	JE1 0BD
JE4 9WG	

**Independent Auditors:**

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

**Investment Managers:**

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

**Investment Consultants:**

Asset Risk Consultants (Jersey) Limited  
4th Floor, Charter Place  
23-27 Seaton Place  
Jersey JE4 0WH

‘During a terrible time for us all the one positive thing was the fact that he felt so safe, secure and often happy in your care. It is such a beautiful place and everyone I met who worked there was absolutely wonderful; so kind and thoughtful but also knowledgeable and capable. Thank you all so much. We are all heartbroken but these last few months would have been far worse without your support, help, care and above all kindness.’

## **2. 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 37 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 57% 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. 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.

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**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 and provision of a Consultant to Children and Young People in the community.

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. Over 90% of funding is raised by these means, with the remainder being funded currently under an Agreement for Service with HCS.

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During 2018 Jersey Hospice Care furthered the extension of its services to Children and Young People. Through its dedicated team the service offers outreach support at home or in hospital to children of any age, as well as providing group sessions in the King Centre.

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.

‘My husband received wonderful care. All the nurses were extremely competent and treated my husband with such gentle care and compassion.

We could not have had better care, we are so grateful the care given by the nurses enabled my husband to stay at home with his family around him.’

**3. STRATEGIC THEMES AND ACHIEVEMENTS**

Each year the Charity identifies a set of annual objectives in the Business Plan. Set out below are the key programme initiatives and achievements in 2018:

- The successful introduction and implementation of a medical model of care, enabling us to offer responsive clinical and medical support seven days a week at Jersey Hospice Care, in the community and in the Hospital. We have also appointed the first island-wide consultant, who is also the first Palliative Care Consultant in Jersey, under a joint governance and funding arrangement with Health and Community Services.
- Practice development was progressed across all areas of the clinical services, resulting in excellent outcomes from unannounced inspections by Regulators and the Jersey Nursing Accreditation Assessment System, demonstrating evidence of improvements in practice and culture and the highest levels of clinical performance and patient safety.
- Age is no longer a barrier to accessing our services. The new specialist paediatric palliative care team are able to care for children and young people with a life threatening condition in the community and in the Hospital.
- With a Head of Education in place, we have been awarded accredited status as a Gold Standards Framework Centre for education and training in Jersey.
- 2018 concluded with the award of charitable status under the new Charities (Jersey) Law, and entry on the Register of Jersey Charities.



#### **4. FUTURE ACTIVITIES**

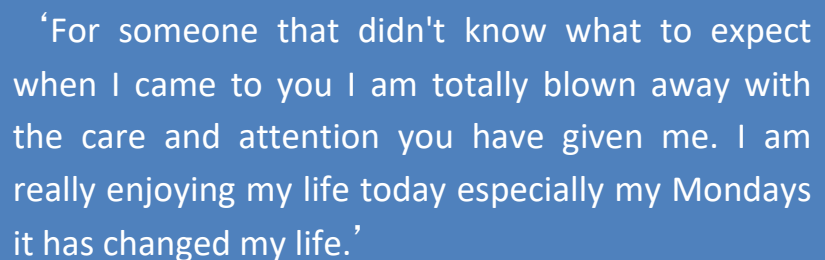
The Charity continues to keep its strategy under review, and to that end the Trustees met in October 2018 to review and refresh the strategic priorities for the year ahead and beyond.

In setting the next strategic priorities we have undertaken a review of the requirements for delivering 'business as usual' in a world where great advances are taking place in the fields of medicine and technology, where economic realities facing the island have in turn created funding pressures and cost increases are evident across the whole organisation. We have considered demographic data - the rapidly ageing local population, the convergence of this with the increasing number of people living alone and the change in the nature of the conditions most prevalent, with a growing increase in chronic, degenerative and lasting conditions. We recognised that 'staying the same' is not an option.

The needs of our community are changing and with our patients living longer, they will increasingly need the parallel care and support of many health and social care professionals across the whole system. If we are to further the vision and remain relevant to the needs of our patients, we must be led by the changing needs of our patients and change too. This is a reason and an opportunity to innovate, to engage with the wider community, to collaborate more, and whenever we can, to seek to influence and educate so that everyone receives the best end of life care and support.

2019 will see the continued expansion of services to children and young people, specifically to formally launch a day hospice provision and a 24 hour outreach service.

In order to meet the existing shortfall of income against expenditure, and manage the increase in services for both adults and young people into the medium and long term, we will need to grow our fundraising capability and review costs. The strategy was reviewed in 2018 and the organisation's financial plan has been built on planned delivery targets set out in this strategy.



'For someone that didn't know what to expect when I came to you I am totally blown away with the care and attention you have given me. I am really enjoying my life today especially my Mondays it has changed my life.'

## **5. 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**

Trustees who served during the year and up to the date of this report are set out on page 4 of this report.

The Council of Trustees meets monthly. The Council has established the following committees, each with its own terms of reference:

- Asset Management Committee
- Finance Governance Committee
- Clinical Governance Committee

In 2018 the Council established a further committee, the Project Butterfly Committee, to oversee the capital project associated with the extension of services to children and young people.

Any significant issues identified by the committees are reported to Council.

Trustees are appointed for three year terms and will normally serve one or two consecutive terms, i.e. up to six years in total, with 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.

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 will be appraised early in 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 and a full review of the organisational structure took place in August 2018.

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.

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**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 2018 the Charity employed an average of 110 staff (plus approximately 12 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, in 2016 the Charity began to develop 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 cover and income protection and death in service benefits. In 2018 the Charity launched 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 five 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 who are supported by an external Strategy and Fundraising Consultant. In the last year, no third parties have been employed to act on the Charity's behalf and the support provided by the Strategy and Fundraising Consultant has been in house counsel to increase capacity and capability within the team through mentoring and strategic support.

**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 31,750 hours to retail, 6,000 hours to fundraising, events and collections, 8,750 hours to driving patients and supporting Day Hospice services and a further 11,000 hours to other services including reception, bereavement support, the inpatient unit and kitchen and maintaining the gardens at Clarkson House.

In total, volunteers gave approximately 57,500 hours which equates to 29 Full Time Equivalent staff.

**Pay Policy**

For nursing and medical staff, Jersey Hospice Care operates a pay structure linked to the States 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 is conducted annually for all staff.

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**Investment policy and returns**

In 2017 the Trustees decided to pursue a medium risk investment strategy with both income generation and long term capital growth targets. This has been reviewed as part of the current 3 year Financial Plan and the Charity's resources have been designated into three separate funds from 1 January 2017. These funds are:

- General Fund – operational fund to manage working capital and reserves
- Capital Fund – reserves held specifically to manage the capital requirements of existing assets and future capital projects
- Investments Fund – longer term investment fund with a blended total return requirement to support 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 ethical investment policy also requires that assets should be invested in line with the aims and objectives of the Charity which as a health charity means the exclusion of directly held tobacco and alcohol related investments. The Trustees recognize that indirect holdings may occur through funds and companies but have advised their investment managers to minimize these levels where possible and to be no more than 10%.

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 and Lloyds (cash), Rathbones and UBS. In addition, the Charity has a number of investment properties details of which are set out in Note 16 of the financial statements.

'Words can't express how incredible all of the staff were in the care of Mum, and all of the family, during the last week of Mum's life. I cannot thank them enough for making an impossibly hard time a little more bearable.'

## **6. FINANCIAL REVIEW**

The detailed figures for the year ended 31 December 2018 are set out in the consolidated financial statements that follow this Trustees' report.

### **Expenditure**

Excluding lottery prizes, the overall expenditure for the year was £6,786,339 (2017: £5,926,115) of which 80% was spent on charitable activities. The remaining expenditure was on fundraising activities – retail (9%) and income generation (11%). Total expenditure was less than budgeted for the year by 3%, however support costs increased reflecting the continued investment in improving the governance infrastructure that supports the delivery of charitable services.

### **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 gains on investments)
- Income from charitable activities (services provided under the agreement with the States of Jersey)

Consolidated income for the year was £5,637,093 (2017: £11,474,176), a decrease of 49%, as a result of a large legacy receivable in 2017 of £6,612,219. Excluding this exceptional legacy there would be an increase equating to 16% due to a growth in income from the Million Pound Lottery and legacy income received. Legacy income is not predictable or linear and therefore following best practice in the sector, is budgeted for over a rolling 4 year period.

### **Funds and Reserves Transfers**

The Consolidated Statement of Financial Activities shows a decrease in funds (deficit) of £1,499,267 (2017: surplus of £5,806,708). This is in line with expectations.

The Trustees agreed to designate reserves to a Capital Fund and to hold further reserves in cash and cash equivalents in the General Fund to cover future anticipated deficits. The remaining funds are designated to an Investment Fund with the purpose of generating annual returns to support ongoing charitable activities.

At the end of the year £274,578 of the overall reserves (net assets) position is held in Restricted Funds. Further details are shown in notes 19 and 20 of the financial statements.

### **Balance Sheet**

Total net assets at 31 December 2018 are £31,824,190 (2017: £33,323,457) which includes group cash balances of £3,683,481 (2017: £4,574,111). Further details of the funds analysis can be found in notes 19 and 20 of the consolidated financial statements.

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**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.
- 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 2019 this would equate to £4.5m.

At the 31 December 2018 the available reserves (excluding investment properties, fixed assets, restricted funds and committed project funding) were £13.9m, representing 21 months of 2019 budgeted operating costs (excluding the budgeted direct costs of prizes for fundraising, capital expenditure and depreciation).

The Council approved a deficit budget for 2019 which would allow the use of reserves of up to £2.6m. The Council have approved a long-term budget strategy for sustainable finances whereby income from all sources should be sufficient to fund costs on an annual basis.

The level of reserves will be monitored regularly by the Finance Governance Committee and reported to Council.

Performance against budget is monitored by the presentation of quarterly management accounts to the Council, and monthly reports by the Director of Finance.

‘I can't find any fault with my care, what wonderful staff, nothing was too much trouble day or night. Always ready to listen to any problems or fears. I wouldn't change a thing!! Thank you.’

## **7. 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.

Key business development risks were discussed at the strategy meeting in October 2018, and 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.

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**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 have expressed their willingness to continue as auditors for the next financial year.

This report was approved by the Council on 19 March 2019, and is signed as authorised on its behalf by:



Julie Coward  
Chair of Trustees, Jersey Hospice Care  
28 March 2019



## **Independent auditor's report to the Council of Jersey Hospice Care for the year ended 31 December 2018**

### **Opinion**

We have audited the consolidated financial statements of Jersey Hospice Care (the 'Association') for the year ended 31 December 2018 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 2018 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*PKF BBA Audit and Assurance Ltd.*

**JERSEY HOSPICE CARE**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 DECEMBER 2018**

		2018			2017
Income:		Unrestricted	Restricted	Total Funds	Total Funds
	Notes	£	£	£	£
<b>Donations and legacies:</b>					
Donations	2	703,692	128,522	832,214	1,034,890
Legacies	3	1,312,122	-	1,312,122	7,388,418
Grants	4	-	-	-	50,000
		<b>2,015,814</b>	<b>128,522</b>	<b>2,144,336</b>	<b>8,473,308</b>
<b>Income from other trading activities:</b>					
Shops	5	1,156,968	-	1,156,968	1,136,774
Million pound lottery	6	793,460	-	793,460	495,289
Fundraising events and activities	7	512,477	242,266	754,743	715,596
Other trading income		41,433	-	41,433	55,421
		<b>2,504,338</b>	<b>242,266</b>	<b>2,746,604</b>	<b>2,403,080</b>
<b>Investment income</b>	8	<b>225,020</b>	<b>133</b>	<b>225,153</b>	<b>167,788</b>
<b>Income from charitable activities</b>	9	<b>-</b>	<b>521,000</b>	<b>521,000</b>	<b>430,000</b>
<b>Total income</b>		<b>4,745,172</b>	<b>891,921</b>	<b>5,637,093</b>	<b>11,474,176</b>
Cost of raising voluntary income	11	1,193,431	113,399	1,306,830	1,049,207
Investment management costs	11	37,657	-	37,657	24,315
<b>Costs of raising funds</b>		<b>1,231,088</b>	<b>113,399</b>	<b>1,344,487</b>	<b>1,073,522</b>
In patient care		3,143,788	7,677	3,151,465	2,897,244
Day hospice		279,077	417	279,494	233,872
Community services		574,891	521,000	1,095,891	1,029,041
Therapies		450,699	1,638	452,337	447,117
Bereavement		262,827	3,569	266,396	245,319
Extension of services to children and young people		-	196,269	196,269	-
<b>Expenditure on charitable activities</b>		<b>4,711,282</b>	<b>730,570</b>	<b>5,441,852</b>	<b>4,852,593</b>
<b>Total expenditure</b>	11	<b>5,942,370</b>	<b>843,969</b>	<b>6,786,339</b>	<b>5,926,115</b>
<b>Net (expenditure)/income from operational activities for the year</b>		<b>(1,197,198)</b>	<b>47,952</b>	<b>(1,149,246)</b>	<b>5,548,061</b>
Net realised and unrealised (losses)/gains on investments and fixed asset disposals	10	(350,021)	-	(350,021)	258,647
<b>Net (expenditure)/income for the year</b>		<b>(1,547,219)</b>	<b>47,952</b>	<b>(1,499,267)</b>	<b>5,806,708</b>
Transfers between funds		20,553	(20,553)	-	-
<b>Net movement in funds</b>		<b>(1,526,666)</b>	<b>27,399</b>	<b>(1,499,267)</b>	<b>5,806,708</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		33,076,278	247,179	33,323,457	27,516,749
<b>Total funds carried forward</b>		<b>31,549,612</b>	<b>274,578</b>	<b>31,824,190</b>	<b>33,323,457</b>

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 22-34

**JERSEY HOSPICE CARE  
CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	15	15,709,531	15,718,665
Investments	16	7,516,950	7,351,982
		<u>23,226,481</u>	<u>23,070,647</u>
<b>Current assets</b>			
Stock		6,238	5,855
Debtors	17	5,294,974	6,060,144
Cash at bank and in hand		3,683,481	4,574,111
		<u>8,984,693</u>	<u>10,640,110</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	18	386,984	387,300
		<u>8,597,709</u>	<u>10,252,810</u>
<b>Net current assets</b>		<u>8,597,709</u>	<u>10,252,810</u>
<b>Total assets less current liabilities</b>		<u>31,824,190</u>	<u>33,323,457</u>
Creditors: amounts falling due in greater than one year		-	-
<b>Total net assets</b>		<u>31,824,190</u>	<u>33,323,457</u>
<b>The funds of the charity:</b>			
Restricted funds	19	274,578	247,179
Unrestricted funds	20	31,549,612	33,076,278
<b>Total funds</b>		<u>31,824,190</u>	<u>33,323,457</u>

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



Julie Coward (Chair of Trustees)

28 March 2019



Eric Bertrand (Honorary Treasurer)

The notes to the financial statements are shown on pages 22-34

**JERSEY HOSPICE CARE**  
**CONSOLIDATED STATEMENT OF CASHFLOWS**  
**AS AT 31 DECEMBER 2018**

	Notes	<b>2018</b> £	<b>2017</b> £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by/(used in) operating activities</b>	22	<u>(238,346)</u>	<u>210,316</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		225,153	167,788
Purchase of property, plant and equipment		(362,448)	(1,228,301)
Proceeds from sale of investments		3,424,823	8,402,068
Purchase of investments		(3,939,812)	(6,147,818)
<b>Net cash provided by/(used in) investing activities</b>		<u><b>(652,284)</b></u>	<u><b>1,193,737</b></u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u><b>(890,630)</b></u>	<u><b>1,404,053</b></u>
Cash and cash equivalents at the beginning of the reporting period		4,574,111	3,170,058
Change in cash and cash equivalents		(890,630)	1,404,053
<b>Cash and cash equivalents at the end of the reporting period</b>	23	<u><b>3,683,481</b></u>	<u><b>4,574,111</b></u>

**JERSEY HOSPICE CARE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018**

**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).

In the prior year financial statements the balance sheet net current assets total omitted the current assets balance. This has been corrected in these financial statements.

**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 non-cash 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 appropriate fund.

**JERSEY HOSPICE CARE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018**

**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.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities, except for the Million Pound Lottery, where the gross income and expenditure are shown in note 6.

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 States 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.

**JERSEY HOSPICE CARE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018**

**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 11 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 12 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	3 years
Motor vehicles	5 years



**JERSEY HOSPICE CARE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018**

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.

**k) Investment properties**

Investment properties are held at fair value. The valuation of the properties is reviewed annually by the Trustees and is conducted by external valuers at least once every 5 years. The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. 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.

**l) Other Investments**

Investments are a form of basic financial instrument 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.

**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 three months or less from the date of acquisition or opening of the deposit or similar account.

**JERSEY HOSPICE CARE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018**

**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 12. 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 the employee's 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 2018**

**2 Donations**

	2018			2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
General donations	457,974	128,522	<b>586,496</b>	572,914	164,926	737,840
In memoriam gifts	171,162	-	<b>171,162</b>	218,494	-	218,494
Tins and collection boxes	12,618	-	<b>12,618</b>	14,113	-	14,113
Coop dividends	12,862	-	<b>12,862</b>	10,605	-	10,605
Value of gifts in kind and donated services	49,076	-	<b>49,076</b>	53,838	-	53,838
	<b>703,692</b>	<b>128,522</b>	<b>832,214</b>	869,964	164,926	1,034,890

Donations to restricted funds are shown by fund in note 19.

Included in restricted donations is £127,472 (2017 : £79,200) of donations related to the extension of services to children and young people.

**3 Legacies**

	2018			2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Legacy gifts	1,312,122	-	<b>1,312,122</b>	7,388,418	-	7,388,418
	<b>1,312,122</b>	-	<b>1,312,122</b>	7,388,418	-	7,388,418

All legacy income was unrestricted in both this year and the prior year. Included in 2017 is one legacy of £6,612,219.

Life interest legacies - As at 31 December 2018 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 (2017 : £541,000).

**4 Grants**

	2018			2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
MacMillan Cancer Support Jersey	-	-	-	-	50,000	50,000
	-	-	-	-	50,000	50,000

The income from Macmillan Cancer Support (Jersey) was part of a three year agreement which ended in 2017 to support the implementation of the Gold Standards Framework programme in primary care. It was therefore treated as restricted income. As it is a contribution towards total costs, all income was spent within the prior year.

**5 Shops**

	2018	2017
	£	£
Income from sale of goods	<b>1,156,968</b>	1,136,774
Costs of buying in goods	<b>15,846</b>	17,280
Staff costs	<b>316,609</b>	290,133
Property costs	<b>128,399</b>	105,201
Other costs	<b>42,849</b>	50,851
Total expenditure from shops	<b>503,703</b>	463,465
Net profit arising from shops (before central cost allocations)	<b>653,265</b>	673,309

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.

**JERSEY HOSPICE CARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

**6 Million Pound Lottery**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Income from lottery sales	<b>2,100,000</b>	1,800,000
Bank interest on lottery funds	<b>1,747</b>	461
Prize money	<b>(1,300,000)</b>	(1,300,000)
Other lottery costs	<b>(8,287)</b>	(5,172)
Net profit arising from the Million Pound Lottery	<b><u>793,460</u></b>	<b><u>495,289</u></b>

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

**7 Fundraising events and activities**

	<b>2018</b>			<b>2017</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Income</b>	<b>Expenditure</b>	<b>Net income</b>	<b>Income</b>	<b>Expenditure</b>	<b>Net income</b>
Dragonboat Festival	<b>65,734</b>	(24,189)	41,545	70,171	(27,304)	42,867
5000 Club	<b>43,296</b>	(23,358)	19,938	59,401	(24,539)	34,862
Jersey Hospice Care Ball	<b>242,266</b>	(113,399)	128,867	(12,750)	(20,471)	(33,221)
Jersey Hospice Care Challenge	<b>580</b>	(324)	256	177,700	(107,237)	70,463
Christmas Tree Collection	<b>33,747</b>	(44)	33,703	32,564	(347)	32,217
Other fundraising events	<b>369,120</b>	(67,793)	301,327	388,510	(50,909)	337,601
	<b><u>754,743</u></b>	<b><u>(229,107)</u></b>	<b><u>525,636</u></b>	<b><u>715,596</u></b>	<b><u>(230,807)</u></b>	<b><u>484,789</u></b>

All fundraising event income in both the current and previous year related to unrestricted funds (except for the 2018 Jersey Hospice Care Ball).

The Jersey Hospice Care Ball generated net income of £183,867 of which £128,867 was restricted to the extension of services to children and young people and the balance of £55,000 related to unrestricted donations made at the event (included in note 2).

**8 Investment income**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Rental income	<b>59,464</b>	58,528
Income on investment portfolio	<b>149,159</b>	92,432
Bank interest	<b>16,530</b>	16,828
	<b><u>225,153</u></b>	<b><u>167,788</u></b>

All investment income in both the current and previous year relate to unrestricted funds except for £133 of bank interest received in 2018 which is restricted to the extension of services to children and young people.

**9 Income from charitable activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Government funding: HCS Agreement for Services	<b>500,000</b>	430,000
Gold Standards Framework Review	<b>21,000</b>	-
Total income from charitable activities	<b><u>521,000</u></b>	<b><u>430,000</u></b>

All income from charitable activities in both the current and previous year relates to government funding towards the provision of community services and is shown as restricted funding. As it is a contribution towards total costs, all income is spent within each calendar year.

Included in 2018 was a one-off receipt of £21,000 as a contribution from HCS to the review of the Gold Standards Framework implementation. The annual contract value is £500,000.

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**10 Net realised and unrealised gains/(losses) on investments and fixed asset disposals**

	2018	2017
	£	£
Realised gains on the sale of investments	16,984	138,749
Unrealised (losses)/gains on revaluation equity investments	(427,005)	120,298
Unrealised gains/(losses) on revaluation of investment property	60,000	-
Net realised and unrealised (losses)/gains on investments	<u>(350,021)</u>	<u>259,047</u>
(Losses) on the disposal of fixed assets	-	(400)
Net realised and unrealised (losses)/gains on investments and fixed asset disposals	<u><u>(350,021)</u></u>	<u><u>258,647</u></u>

**11 Analysis of expenditure 2018**

	Direct Costs	Direct support costs	General support costs	2018 Total costs
	£	£	£	£
Shops costs (note 5)	503,703	5,598	120,712	630,013
Fundraising costs (note 7)	229,107	318,030	129,680	676,817
Cost of raising voluntary income	<u>732,810</u>	<u>323,628</u>	<u>250,392</u>	<u>1,306,830</u>
Investment management costs	30,442	-	7,215	37,657
<b>Raising funds</b>	<b>763,252</b>	<b>323,628</b>	<b>257,607</b>	<b>1,344,487</b>
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
Extension of services to Children and Young People	152,775	5,888	37,606	196,269
<b>Charitable activities</b>	<b>2,820,530</b>	<b>1,578,647</b>	<b>1,042,675</b>	<b>5,441,852</b>
<b>Total</b>	<b><u><u>3,583,782</u></u></b>	<b><u><u>1,902,275</u></u></b>	<b><u><u>1,300,282</u></u></b>	<b><u><u>6,786,339</u></u></b>

Of the total expenditure of £6,786,339 (2017 : £5,926,115), all raising funds expenditure of £1,344,487 (2017: £1,073,522) was unrestricted. Of the charitable activities expenditure of £5,441,852 (2017: £4,852,593), £730,570 (2017: £493,520) was restricted and £4,711,282 (2017: £4,359,073) was unrestricted.

Governance costs include £16,000 audit fees (Prior year: £16,000) and are recognised within direct support costs.

**Analysis of expenditure 2017**

	Direct Costs	Direct support costs	General support costs	2017 Total costs
	£	£	£	£
Shops costs (note 5)	463,465	5,598	117,285	586,348
Fundraising costs (note 7)	230,807	139,468	92,584	462,859
Cost of raising voluntary income	<u>694,272</u>	<u>145,066</u>	<u>209,869</u>	<u>1,049,207</u>
Investment management costs	19,451	-	4,864	24,315
<b>Raising funds</b>	<b>713,723</b>	<b>145,066</b>	<b>214,733</b>	<b>1,073,522</b>
In patient care	1,493,380	824,338	579,526	2,897,244
Day Hospice	120,801	66,290	46,781	233,872
Community services	765,777	57,428	205,836	1,029,041
Therapies	231,263	126,419	89,435	447,117
Bereavement	126,455	69,794	49,070	245,319
<b>Charitable activities</b>	<b>2,737,676</b>	<b>1,144,269</b>	<b>970,648</b>	<b>4,852,593</b>
<b>Total</b>	<b><u><u>3,451,399</u></u></b>	<b><u><u>1,289,335</u></u></b>	<b><u><u>1,185,381</u></u></b>	<b><u><u>5,926,115</u></u></b>

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**12 Analysis of staff costs and key management**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>4,040,103</b>	3,449,323
Social security costs	<b>242,323</b>	213,038
Pension costs	<b>243,104</b>	216,374
Private Medical insurance	<b>77,952</b>	52,146
Ex gratia payments	<b>11,850</b>	-
Termination payments	<b>16,346</b>	4,812
	<b><u>4,631,678</u></b>	<b><u>3,935,693</u></b>

The charity trustees were not paid and did not receive any other benefits from employment with the Hospice or its subsidiaries in the year (2017: £nil).

Termination payments in lieu of notice were made to 3 employees in 2018 (2017: 1). Termination payments are recognised when the termination of employment is agreed between the parties.

Ex gratia payments were made to 2 employees (2017: nil) in relation to sick pay, notice period and compensation that were higher than the standard terms of employment.

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

The average contract staff head count was 110 and average bank staff head count was 12 (Prior year: 97 and 14 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:

	<b>2018</b>	<b>2017</b>
£60,000-£69,999	5	4
£70,000-£79,999	2	1
£80,000-£89,999	1	1
£90,000-£99,999	-	-
£100,000-£109,999	-	-
£110,000 - £119,999	-	-
£120,000 - £129,999	-	-
£130,000 - £139,999	<b><u>1</u></b>	<b><u>1</u></b>

Pension contributions relating to staff earning over £60,000 totalled £69,259 in the current year (2017 : £49,434). These calculations have been reviewed since the prior year and the comparative numbers revised to mirror the presentation in the current year.

The Hospice considers that the key management personnel comprise the trustees and the executive directors. The total employee benefits of the key management personnel of the Hospice were £447,242 (2017 : £361,308). The increase is principally due to a new role of the Director of Workforce and Organisational Development which commenced in 2017.

The Charity benefits from the unpaid work of over 450 volunteers, who ably support paid staff in various ways. In total, volunteers gave approximately 57,500 hours which equates to 29 Full Time Equivalent staff.

**13 Net incoming resources**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net incoming resources is stated after charging:		
Depreciation	371,582	360,847
Auditors remuneration: for audit services	16,000	16,000
Profit / (loss) on sale of fixed assets	-	(400)
Operating lease rentals	<b><u>85,400</u></b>	<b><u>55,400</u></b>

During the 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.

**14 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 and with the option to terminate the lease on 1 January 2021 or 1 January 2026. The total of future minimum lease payments payable not later than one year from 31 December 2018 is £55,400 and later than one year and not later than five years is £55,400.

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**15 Tangible assets**

	Freehold property £	Leasehold Alterations £	Fixtures, fittings and equipment £	Uncompleted works £	Total £
<b>Cost or revaluation</b>					
At start of year	17,303,568	76,217	1,144,831	77,872	<b>18,602,488</b>
Additions	14,860	30,877	89,078	227,633	<b>362,448</b>
<b>At end of year</b>	<b>17,318,428</b>	<b>107,094</b>	<b>1,233,909</b>	<b>305,505</b>	<b>18,964,936</b>
<b>Depreciation</b>					
At start of year	1,945,677	61,975	876,171	-	<b>2,883,823</b>
Charge for the year	277,833	5,967	87,782	-	<b>371,582</b>
<b>At end of year</b>	<b>2,223,510</b>	<b>67,942</b>	<b>963,953</b>	-	<b>3,255,405</b>
<b>Net book value at the end of the year</b>	<b>15,094,918</b>	<b>39,152</b>	<b>269,956</b>	<b>305,505</b>	<b>15,709,531</b>
Net book value at the start of the year	15,357,890	14,242	268,661	77,872	<b>15,718,665</b>

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. The Finance Governance Committee carried out an impairment assessment at 31 December 2017 of the land and buildings comprising Clarkson House, which are held at depreciated cost less impairment, and concluded that there are no indicators of impairment at that date. A neighbouring property, Highland Farm, was purchased during 2017 for a total consideration of £1,133,813, which is recognised at depreciated cost.

**16 Investments**

a) As start of the year	£	7,351,982	
Additions		3,939,812	
Disposals		(3,407,839)	
Unrealised (losses)/gains on revaluation equity investments		(427,005)	
Unrealised gains/(losses) on revaluation of investment property		60,000	
<b>At end of the year</b>		<b>7,516,950</b>	
b) Analysis of investments		<b>2018</b>	<b>2017</b>
	£	£	£
Investment property		1,725,000	1,215,000
Equities and Fixed interest		5,695,455	5,656,684
Cash held as part of the investment portfolio		96,495	480,298
<b>Total group</b>		<b>7,516,950</b>	<b>7,351,982</b>
Equity investment in subsidiaries		20,002	20,002
Loan to subsidiary		650,188	650,188
<b>Total charity</b>		<b>8,187,140</b>	<b>8,022,172</b>

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 and Co as at 31 December 2018.

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

**JERSEY HOSPICE CARE**  
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<b>17 Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>5,181,071</b>	5,865,525
Taxation recoverable	<b>32,569</b>	32,817
Prepayments	<b>81,334</b>	161,802
	<b><u>5,294,974</u></b>	<b><u>6,060,144</u></b>

Trade debtors includes £5,144,000 (2017 : £5,836,710) relating to unpaid legacies.

<b>18 Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>89,623</b>	106,922
Other taxes and social security	<b>92,063</b>	75,334
Accruals	<b>205,298</b>	205,044
	<b><u>386,984</u></b>	<b><u>387,300</u></b>

**19 Restricted funds**

	<b>Balance at the start of the year</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers / Capital expenditure</b>	<b>Balance at end of the year</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bereavement	10,935	50	(3,569)	-	<b>7,416</b>
Day Hospice	16,006	-	(417)	-	<b>15,589</b>
In Patient Unit	20,637	-	(4,712)	-	<b>15,925</b>
Complementary Therapies	18,140	-	(1,578)	-	<b>16,562</b>
Education	34,865	-	-	-	<b>34,865</b>
Physiotherapy and Lymphodema Therapies	3,679	50	-	-	<b>3,729</b>
	646	-	(60)	-	<b>586</b>
In Patient Unit - Hoist System	54,100	-	-	(54,100)	-
Financial assistance	5,000	-	(610)	-	<b>4,390</b>
Extension of services to Children and Young People	79,200	369,871	(309,668)	33,547	<b>172,950</b>
Chairman's fund	1,000	-	-	-	<b>1,000</b>
Staff Fund	2,971	950	(2,355)	-	<b>1,566</b>
HCS contract for services	-	521,000	(521,000)	-	-
<b>Total</b>	<b><u>247,179</u></b>	<b><u>891,921</u></b>	<b><u>(843,969)</u></b>	<b><u>(20,553)</u></b>	<b><u>274,578</u></b>

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

Extension of services to Children and Young People - The balance carried forward of £172,950 relates to restricted donations specifically for the actual capital costs of building the unit for children and young people. During the year the costs of running the current services exceeded the donations and fundraising income generated by £33,547 and therefore a transfer from the General Fund of £33,547 was made.

The Hoist System was completed during the year as part of the refurbishment of the In Patient Unit. The asset is held in the General Fund.

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

Restricted funds are held in the form of cash.



**JERSEY HOSPICE CARE**  
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**20 Unrestricted funds**

	Balance at the start of the year £	Income £	Expenditure and gains/(losses) £	Transfers / Capital expenditure £	Balance at end of the year £
Designated General Funds	3,903,930	4,596,013	(5,522,941)	(33,547)	<b>2,943,455</b>
Other General Funds	15,657,690		(371,582)	362,448	<b>15,648,556</b>
Total General Funds	19,561,620				<b>18,592,011</b>
Investment Fund	9,678,483	149,159	(387,678)		<b>9,439,964</b>
Capital Fund	3,836,175	-	(10,190)	(308,348)	<b>3,517,637</b>
Total	33,076,278	4,745,172	(6,292,391)	20,553	<b>31,549,612</b>

**Capital Fund** - During 2018 the company purchased fixed assets totalling £362,448 of which £157,822 related to the continuing IPU refurbishment. The restricted 'In Patient Unit - Hoist System' fund of £54,100 has been offset against these costs as this project was completed during the year. Property revenue expense maintenance of £10,190 has also been incurred. Therefore the net reduction in the fund for the year was £318,538.

**General Fund** - The transfers during the year related to a contribution towards the operational costs of the Extension of Services to Children and Young People in the sum of £33,547 and the cost of fixed assets purchased in the year funded from the Capital Fund.

**Investment Fund** - The income and expenditure represents investment income of £149,159 (note 8) and net realised and unrealised losses of £350,021 (note 10) together with investment management costs of £37,657 (note 11). The Investment Fund is represented by £1,725,000 of investment properties, £5,791,950 of equities and cash held in investment portfolios and £1,923,014 represented by other cash and debtors.

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

**21 Related party transactions**

In the normal course of business, goods to the value of £174 (2017: £291) were purchased from Romerils, a related party through a former Trustee Geof Dingle. All transactions were small and involved standard purchases at arms length prices.

During the year, £467 (2017: £nil) was paid to La Mare Vineyards Limited, a related party through a Trustee Tim Crowley. All transactions were for standard goods and services at arms length prices.

The Chairman was reimbursed £321 of expenses for travel costs during the year (2017: £nil).

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Net (expenditure)/income for the reporting period (as per the statement of financial activities)</b>	(1,499,267)	5,806,708
<b>Adjustments for:</b>		
Depreciation charges	371,582	363,947
Losses/(gains) on investments	350,021	(258,647)
Dividends, interest and rents from investments	(225,153)	(167,788)
(Increase)/decrease in stocks	(383)	(5,855)
Decrease/(increase) in debtors	765,170	(5,527,102)
(Decrease) in creditors	(316)	(947)
<b>Net cash (used in) / provided by operating activities</b>	<b><u>(238,346)</u></b>	<b><u>210,316</u></b>

**23 Analysis of cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash in hand	224	31
Current and reserve accounts	1,170,938	2,074,080
Notice deposits (less than 3 months)	2,512,319	2,500,000
<b>Total cash and cash equivalents</b>	<b><u>3,683,481</u></b>	<b><u>4,574,111</u></b>