
ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The Trustees are pleased to present their annual Trustees' Report together with the consolidated financial statements of the charity and its subsidiaries for the year ended 31 March 2019. These are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Trustees' Report

As the new Chair of the Board of Trustees at Arthur Rank Hospice Charity (ARHC), I am pleased and proud to present this Trustee's Report to you. Working together with our executive colleagues, our focus is on our mission: 'making every moment count'. Through our effective governance structures, we are confident that this is what we achieve and the evidence for this is set out below.

Our focus at all times is ensuring that our patients and their families receive the very best, holistic care that we can provide. Our range of provision has been enhanced through the addition of a specialist dementia Admiral Nurse, providing additional skills and confidence for our colleagues supporting people accessing hospice services who are also living with dementia or whose carer is living with dementia. The report of the pilot provision of the Nurse-Led Bed (NLB) project in partnership with Addenbrooke's Hospital is evidence of what can be achieved with vision and hard work. Our team will be working hard to ensure that we are able to continue with this valued provision.

Following on from our Alan Hudson Day Treatment Centre being rated as Outstanding by the CQC in 2018, I am delighted that our centre in Cambridge has also been rated Outstanding following inspection earlier this year.

One of the most important roles the Board of Trustees undertakes is the appointment of our CEO and we have been fortunate to have been led by Dr Lynn Morgan for the past nine years. Lynn retired from the Hospice in March 2019 and, on behalf of the current board and former Trustees, I wish to place on record our gratitude to Lynn for all that she has achieved. We wish her well in her retirement. I am also very pleased to welcome our new CEO, Sharon Allen OBE, who joined us in April 2019 and who will lead us in the next phase of our development.

I would also like to record our thanks to our previous Chair of Trustees Isabel Napper for all the support she has given to the Hospice during her time as Chair.

Of course, none of this could have been achieved without the hard work and dedication of our team of staff and volunteers which, together with the huge amount of good will and support we receive from families and donors, means that we face the coming year with determination to continue and, indeed, improve our quality standards.

The financial year 2018–2019 has been very successful in terms of patient experience and our profile, and although disappointing in terms of income, income levels have improved compared to the previous year.

In terms of expenditure, we controlled costs well and met the budget set. However, as funds are stretched, the impact of the reduction in budgeted expenditure funded by charitable funds for the year did result in a recruitment freeze in our Hospice at Home team. This had an impact on the number of nights care we were able to provide to support patients and families. Trustees have agreed a major fundraising campaign as part of our plans for 2019/20 to raise additional funds to enable the Hospice at Home team to provide additional nights of care.

In addition to the income we generate, we also have a contract with the NHS for some of our services. Amongst the services funded by the Clinical Commissioning Group (CCG) are the 12 specialist palliative care in-patient beds.

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We have 23 beds in total in the hospice, we have continued to run the NLB pilot with Addenbrooke's Hospital for nine of these. The 12 beds commissioned by the CCG are for complex palliative and end-of-life patients. As the needs of these patients require specialist input, we employ our own consultants and a multi-disciplinary team who ensure that the patients receive the complex care they need. However, this makes the beds relatively expensive to commission and by no means do all end-of-life patients require this level of specialist involvement. Our NLB model is to provide care for patients who are end-of-life, but primarily need specialist nursing care.

We have continued to build our relationships with external partners.

This work with Addenbrooke's Hospital in supporting nine beds for patients who are reaching the end of their life in hospital has been a huge success. As an expert provider of palliative and end-of life care we continued to work closely with the Cambridgeshire and Peterborough CCG to develop end of life care within the Sustainability Transformation Partnership (STP). We are also working closely with the Collaboration for Leadership in Applied Health Research and Care East of England (CLAHRC) to support research and development strategies. In addition we foster good relationships with our partnering hospices and community services providers to share learning and improvements.

And finally, it would be remiss not to mention the great contribution made to the ARHC by our many volunteers. We now have almost 600 supporting us in various roles, including gardening, hosting in day therapy, flower arranging, serving meals, counselling, supporting our charity shops, donating time to support our fundraising events and many more areas of activity. We are hugely grateful to each and every one.

Kate Kirk
Chair of Trustees

GROUP STRATEGIC REPORT

Our vision

Our vision is to provide patients and their families with the highest quality end-of-life care by achieving excellence in everything we do and making every moment count.

Our mission

We will achieve this through the delivery of excellent, innovative and compassionate specialist and community-based palliative care. We will support patients with a life-limiting diagnosis to improve their quality of life and fulfil their choices at the end of their lives.

Our values

- Flexible, individual and responsive specialist palliative care
- Integrity, compassion and professionalism
- Valuing and investing in our workforce
- Equality of service
- Prudence in the management of our resources

Purpose

The Arthur Rank Hospice Charity is a Company Limited by Guarantee and our governing document is a Memorandum and Articles of Association.

The purpose of the charity is to relieve sickness and suffering of people with life-limiting conditions in Cambridgeshire and the surrounding areas and to assist their families or carers. These people, their families and

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carers are the beneficiaries of the charity. The charity supports them by providing:

- End-of-life care at Arthur Rank Hospice and elsewhere;
- Services, facilities, equipment or grants for beneficiaries; and
- Any other benefit which relieves the sickness or suffering of beneficiaries.

Care and services are provided free of charge to patients. The charity helps them and their loved ones to improve their quality of life and fulfil their choices at the end of their lives – making every moment count.

The vision that shapes the charity's annual activities and strategic aims is to provide patients and their families with the highest quality end-of-life care. The team strives to achieve this through the delivery of innovative and compassionate specialist palliative care at the Hospice, the Alan Hudson Day Treatment Centre in Wisbech and in the community.

In setting objectives for the year and planning the charity's activities, the Trustees give due consideration to guidance from the Charity Commission relating to public benefit.

Main activities

We provide a range of services for patients with life-limiting conditions, those at the end of their lives and the families of patients.

Community Team (Seven-day service)

Our Community Team is a small team making a big impact, providing specialist palliative nursing care in the community. This service is largely funded by the CCG for Cambridge City, East and West Cambridgeshire. Our nurses make home visits providing person-centred care, support and advice as well as providing valuable support and advice by telephone. Our Community Team work closely alongside our Hospice at Home service and a centralised triage service ensures that patients are transferred quickly and smoothly between our services.

24/7 telephone advice line

Healthcare professionals can call in to the Hospice at any time of the day or night for advice from one of our specialist palliative care nurses or doctors. Families of patients can also use this service for advice and support.

Hospice at Home

Our Hospice at Home service cares for up to 50 patients a month typically in their last two weeks of life and covers the whole of Cambridgeshire. Just over 70% of the service is funded by the charity with the CCG paying the balance. Research shows that most people would prefer to die at home providing they feel safe and their symptoms are well managed. Hospice at Home is not a cheaper alternative to hospice in-patient care on a per night basis. Our experience is that sometimes, providing intermittent care is the most valuable service we can provide for families, particularly if this enables them to access advice. Despite our best efforts, we are routinely unable to provide care for 30% of patients who would benefit from this service. Due to the number of patients supported, this service is the largest single area of charitable expenditure.

Chaplaincy and Family Support Team

Meeting the spiritual, psychological and emotional needs of patients and their families is a core part of our provision. We promote spirituality as opposed to any particular religion and have a multi-disciplinary team led by our Chaplain, which is a shared cost between the CCG and the charity. Our Chaplain ministers to those of the Christian faith, those of no faith, and will support anyone who chooses to receive his services. We are in close contact with representatives of other faiths who work with us to support patients who request this. The Chaplain leads the Family Support Team which is comprised of a social worker, psychologists, counsellors, volunteer (qualified) counsellors and bereavement support volunteers. We provide pre and post-bereavement support and other psychological care tailored to the patient or family member's need.

Day Therapy Centre- Arthur Rank Hospice

Day Therapy provides specialist advice and support (palliative care) for adults who have a life-limiting illness. We

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offer individually tailored care programmes, normally for one day per week for six to twelve weeks. The specialist team includes nurses and healthcare assistants, complementary therapists, a creative activity team, volunteers, physiotherapists and occupational therapists, chaplain, psychological therapists and the specialist medical team. Day Therapy is entirely funded by the charity.

Alan Hudson Day Treatment Centre (AHDTC) located at North Cambs Hospital, Wisbech

The AHDTC has received funding to extend and refurbish the premises in Wisbech. The Centre provides day therapy and day treatments for patients in the Fenland area. Our specialist team includes a palliative clinical nurse specialist, palliative care nurses, complementary therapists, creative arts, volunteers and an administrator. There is also access to physiotherapy, chaplaincy and the specialist medical team. This service is largely funded by the CCG with some activities funded by the charity. The centre also provides specialist advice and support to three palliative beds on Trafford Ward at North Cambs Hospital.

In-patient Unit

The Hospice In-patient Unit (IPU) has 12 specialist beds and 9 NLBs. Two beds are currently not in use.

Specialist beds: Funding and catchment area

The beds are funded by a contract with Cambridgeshire and Peterborough CCG and are available for patients whose GP practice falls within Cambridgeshire. In exceptional circumstances, patients are admitted from outside the Cambridgeshire area, but funding must have been agreed with the relevant CCG.

The referral criteria for the specialist beds are for those aged 18 and over, who have an advanced, life-limiting illness, who have uncontrolled symptoms or a rapidly deteriorating condition, who would benefit from regular review by the specialist multidisciplinary team (MDT), and/or a daily review by a doctor. As we are a short-stay unit (average length of stay is 22.5 days), we aim to discharge patients whose needs are stable and could be managed elsewhere in other care settings or at home. Therefore we cannot admit people whose main need is long-term care. We also offer day case blood transfusions depending upon bed availability.

All referrals must come via a healthcare professional. Referrals are triaged every weekday, and are prioritised based on how urgently the care plan needs to change, and how much added value the MDT can offer.

Our specialist MDT consists of nurses, doctors, occupational therapists, physiotherapists, psychotherapists, chaplaincy, social worker and pharmacists. We are experienced in caring for patients with enteral and parenteral nutrition, non-invasive ventilation and tracheostomies and are able to give oxygen, intravenous medication and fluids.

As soon as the team feel the care plan can be continued elsewhere, we aim to discharge home, or to a care home if home is not possible. If extra care, support or equipment is required, we work with other agencies to provide this.

Nurse-led beds

These beds are funded by Cambridge University Hospital (CUH) NHS trust for patients in Addenbrooke's who would otherwise be dying in hospital, and who require non-complex nursing care. Their daily management is led by experienced nursing staff rather than the full MDT. Patients have access to the ward doctor if required. We work closely with the Addenbrooke's team to continually monitor and evaluate the project and both organisations are very pleased with the way this new service is working. Other hospices around the country are also keen to learn more about the service as they are interested to see if it would work for them and their local acute trusts.

Physiotherapists and occupational therapists

Our therapists work across Day Therapy, IPU, in the community, and the out-patient Pain Management Group. Patients can be seen in their own home or within the Hospice. We aim to improve quality of life and focus on rehabilitation and symptom management. The therapists focus on patients 'doing' rather than 'being done to' in order to build confidence and increase the sense of wellbeing. We have a bright and well equipped gym, and patients often surprise themselves with what they can achieve with the right equipment and support.

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Lymphoedema

The Lymphoedema Clinic provides a service for those with both primary lymphoedema and those with lymphoedema secondary to cancer or cancer surgery, infection, deep vein thrombosis, dependency, etc. All patients are offered an assessment with a clinical specialist in lymphoedema and a treatment programme is agreed with them. Treatment may consist of some or all of the following: skin care, compression (this could be compression garments, wraps or bandaging), exercise programmes, simple/manual lymphatic drainage or use of compression pumps, kinesiotape and low-level light therapy. We aspire to support all our patients to self-manage this long-term condition and, to help with this, we offer six sessions a year at our support group to offer further education about managing lymphoedema.

We maintain close links with our referral teams at Addenbrooke's, the Tissue Viability Team and community staff. We provide two full-day education sessions for healthcare professionals each year and are currently working with the Tissue Viability Team to develop joint teaching on the management of chronic oedema and wet legs for community staff.

Complementary therapy

We offer aromatherapy, therapeutic massage (including Indian Head Massage, Reiki and Zero Balancing), reflexology and Bach Flower Remedies. These therapies are offered throughout the week to patients and carers in a series of individually tailored sessions. Our complementary therapists deliver care in the Hospice or in patients' own homes.

Volunteer contribution and development

We have nearly 600 volunteers who support us. Volunteers are crucial to our work as they enable us to achieve so much more within our limited resources. They also add to the friendly ambience of the Hospice. We have volunteers covering 45 different roles! These include gardening, hosting in the In-patient Unit and Day Therapy, meeting and greeting at reception, cake baking, counselling, flower arranging, staffing our charity shops, fundraising, supporting our events, and many more.

ACHIEVEMENTS AND PERFORMANCE

Achievements in 2018/19 against our five-year strategy

We launched our five-year strategy in 2017 and are making good progress:

Objective 1. Develop our services to meet the changing needs of our population

What we wanted to achieve

- With funding from Dementia UK, to employ an Admiral Nurse to support our workforce with education to become competent and confident in the care needs of those accessing hospice services who are also living with dementia.
- To redevelop the Alan Hudson Day Treatment Centre (AHDTC) with the intention of opening the new, expanded Centre by December 2018.
- To work in partnership with East Anglian Children's Hospice (EACH) to support young adults transitioning from children's services into adult services by establishing regular attendance by one of our Consultants at their MDT. We will apply for a grant from Together for Short Lives for Cambridgeshire-wide coordination of this care. In addition, we wanted to plan and deliver a series of social sessions at the Arthur Rank Hospice.

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What we achieved

- We appointed an Admiral Nurse in September 2018 and have been working in partnership with Dementia UK with the aim to increase staff confidence and competence in caring for people accessing hospice services who are also living with dementia and supporting families through the Hospice. Staff training programmes have been arranged and, so far, 50 people have become 'Dementia Friends'. We have set up a new day therapy dementia group following a very successful open day in January 2019 which had 30 people with dementia and carers attend.
- Although there was a delay in commencing the work at the AHDTC, we are pleased to say that the work was completed in April 2019. The improvements made will have a positive impact on how services are delivered out of the AHDTC. It was an exciting start to 2019 for the Centre. The build project saw the expansion of the current facilities and adjacent rooms into purpose-built spaces, allowing the specialist team to care for and support growing numbers of patients with increasingly complex needs. Existing walls were knocked down and new ones erected, creating dedicated treatment and clinical rooms, therapy and hairdressing spaces as well as office and lounge areas. Due to the importance of the care offered to the community, during the building works, the Treatment Centre's team continued to welcome patients in and out of their day therapy, complementary therapy and treatment sessions each day.
- We continued to work in partnership with EACH and Sue Ryder Hospice Thorpe Hall and have arranged young persons' events to encourage young people who will be transitioning from children's services to adult services into our Hospices to take place in 2019. Unfortunately, we were unsuccessful in our bid to secure grant funding to employ a Transitioning Young Adults coordinator in 2018.

Objective 2. Broaden our reach to ensure we are meeting the need of all who would want to benefit from our care and create greater equity of services

What we wanted to achieve

- Continue to develop our patient and family support service, linking to the programme of sessions provided in Arthur's Shed, to provide broad and diverse access to psychological support. In Wisbech we will seek to work with local partners such as CRUSE Bereavement Care to maximise care for people who need it.
- With the Motor Neurone Disease (MND) Clinic now based at the Hospice, we will continue to develop our workforce skills and competence in caring for people with complex neurological conditions. We will seek to become a preferred provider of end of life care for neurological conditions via the CCG Continuing Health Care Team, maximising the use of our beds with two or three provided specifically for these patients.
- In line with the Day Therapy services transformation plan, we will continue to develop our sessions at both Arthur Rank Hospice and the AHDTC to maximise access for all those who require our support.
- We will broaden our community engagement approach to share our work with the LGBTQ+ community and other groups. Through links with established groups we plan to work more closely with people of all faiths and none.
- We will continue to expand our programme of events in Arthur's Shed, providing support for carers and others who may not have access to support via other hospice services, such as those who have been bereaved.

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What we achieved

- Our patient family support team consists of a Lead Chaplain who is supported by Clinical Psychologists, a Social Worker and five bereavement volunteers. They have had a total of 1,022 encounters this year, which is an increase of 157 on last year. We have been working with STARS, who are a local children's charity supporting young people through grief and undertook joint child bereavement training in October 2018. We commenced a bereavement support project in Wisbech at the AHDTC in order to provide further bereavement support for the Fenland area.
- Staff received training on palliative care in neurological conditions in November 2018. The MND clinic continued to be run from our Hospice. Ease of access and the general layout of the Hospice has been positively received and fed back to us by the service users. An increase in the number of patients requiring longer term specialist palliative care at the Hospice meant we have continued to explore opportunities to develop our services for patients with life-limiting neurological conditions.
- Day Therapy has continued to be extremely busy, with referrals increasing from 187 last year to 288 in this year. Our day therapy programmes at the Hospice and the AHDTC provided creative activities/entertainment, complementary therapy, advice on symptom management and exercise. The complementary therapy team offered further treatments, such as foot soaks and aroma patches. In addition small bottles of aromatherapy oil are issued to encourage self-management and well-being. We provided well-being sessions with additional input from our Chaplain which includes "Blether", a group where people are given the opportunity to ask questions as their circumstances change and have a safe environment to be able to talk and listen about things that matter to them. We also had "Music of Our Lives" which gives people an opportunity to reflect on life stories using music. We commenced our day therapy Dementia Group, which takes place on alternate Wednesdays and with the focus on encouraging exchange of ideas and fostering peer support; developing life story work; considering future health, social and financial planning.
- We held a community engagement meeting at the Hospice in June 2018 which included attendees from the Jewish community, Hindu community and a guest speaker from the Cambridge Street and Mental Health Outreach Team (CSMHOT) who spoke about their work with the homeless population in Cambridge. We have participated with the Cambridge Ethnic Community Forum and continue to look at how we can engage other diverse communities. In December we provided training on end of life across the faiths with representation from Muslim, Jewish, Buddhist and Christian faiths. We have also produced a leaflet for GP surgeries and other groups to provide an introduction to the work of the Hospice.
- Arthur's shed is a studio room located within the landscaped gardens of the Hospice. The project has been inspired by the success of the Men's Shed Movement. The vision is for people to be connected to the Hospice to be able to come together in a safe, friendly and inclusive venue that is non-clinical. The goals are:
 - o To provide alternative support for patients, carers and bereaved relatives
 - o To demystify hospice care by engaging the local community
 - o To diversify volunteering roles

We have recruited two volunteers to take this project forward.

Objective 3. Evaluate and continually improve our governance structure

What we wanted to achieve

- In 2018-19 we plan to review the way we collect and report our outcomes via either data and/or patients' stories. Whilst gathering information is vital, we will continuously review this to ensure that it remains timely, accurate and concise.

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- Implementing the Outcome Assessment and Complexity Collaborative (OACC) suite of measures will continue in 2018-19. This will be carried out alongside a critical review of our SystmOne patient data entry system to ensure that data entered is accurate and uploaded in a timely fashion to support patient care.
- We continue to review and reduce the volume of policy documents we adopted from our predecessor organisation. We ultimately intend to move to a smaller number of policy documents and a concise set of handbooks.

What we achieved

- Our reporting displays important information, data and our key performance indicators and is regularly reviewed and sent to the CCG. Patient stories are captured and discussed at Clinical Governance meetings and help to influence our care provision and direction of clinical services. We use Hospice UK benchmarking data to review our inpatient unit incidences of pressure sores, falls and medication incidents as well as bed occupancy.
- We have started to use the OACC to assess patients and have created templates within SystmOne to capture the necessary data.
- We have now produced policy handbooks for:
 - o Infection Prevention and Control
 - o Information Governance
 - o IT Usage

Our monthly policy reading group reviewed all clinical policies that were out of date and are working to ensure these are updated and fit for purpose.

Objective 4. Develop our education and research capacity

What we wanted to achieve

- In 2018-19 we will continue to work with the University of Cambridge, Anglia Ruskin University (ARU) and other education facilities to develop research and build capacity in palliative care. We will continue to deliver the Gold Standards Framework (GSF) accredited training to care homes in the region.
- In partnership with Anglia Ruskin University, we plan to deliver a Masters level module on all aspects of palliative care. Delivered at Arthur Rank Hospice, this will give us an opportunity to train new staff in palliative care and also to provide easier access to training for our staff.

What we achieved

- In 2018/19 we are pleased that five care homes registered and participated in the GSF programme. One of these was Cambridgeshire based. Two homes from previous cohorts were successful at accreditation and both received "commend" status.
- We have written the module and are in the process of negotiating the contract with ARU. We are also considering opportunities for other educational partnerships.

Objective 5. Develop the financial and operational resilience of the charity

What we wanted to achieve

- In 2018-19 we will ensure that we meet the requirements of the General Data Protection Regulations (GDPR). The new regulations regarding data capture and storage impact all areas including clinical, fundraising and commercial.

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- In 2017-18 we introduced a Human Resource database and e-rostering system for our clinical staff. In 2018-19 we aim to ensure that the benefits of this are maximised and staff are able to use it effectively. This is also being adopted in other areas of the organisation including fundraising.
- As we mature in our financial and operational management as a charity providing healthcare, we recognise that we face the same financial and fundraising challenges as many other charities. In 2018-19 we will continue to explore innovative ways to maintain our income and manage resources. We hope to see cost savings from the e-rostering. This will help reduce administration time spent on sorting out payroll from paper-based rotas and time sheets and will enable the production of more efficient rotas which could result in financial and staffing efficiencies.

What we achieved

- In May 2018 the General Data Protection Regulations (GDPR) were introduced in response to the Data Protection Act 2018. Leading up to this and following the introduction of GDPR we, have ensured through training, that our staff are aware of the principles GDPR. Through our Data Protection Officer, we continue to keep updated on the ever-changing world of data protection and implement any related changes as and when required. We developed an Information Governance Handbook which incorporates the relevant policies and procedures to support staff. To ensure all healthcare organisations are complying with the GDPR and the Data Protection Act 2018, an online Data Protection and Security Toolkit (DP&ST) has to be completed annually. The DP&ST requires healthcare providers to operate within a framework that demonstrates robust arrangements around the security, availability, sharing and integrity of confidential data, and data management standards. Completion of the DP&ST also allowed us to audit our own systems and practices against the ten data security standards.
- Due to budgetary pressures and a result of additional costs to implement the payroll module for the electronic rostering system, we have not been able to pursue this further.
- Our fundraising team continues to explore ways to engage people within the community. One example of this is the development of our Christmas Tree recycling scheme. This has resulted in collaboration with Cambridge City Council and has enlisted the support of many businesses and organisations across the city of Cambridge and beyond. It has grown from 400 trees in year one to more than 1,800 in year four with funds raising increasing from £3k to £26k. This has proved vital in both raising funds but also awareness of the work of the charity. The charity records the details of those who have supported it through events, challenges and fundraising activities as well as those who have made donations.
- The Trustees agreed an approach which involves legitimate interest, yet actively encourages people to opt in to receive communications via their preferred choice of medium. This has resulted in email updates reducing from 7,000 contacts prior to GDPR to a smaller number of 3,000. However, interactions with this group remains high - with open rates to our personalised emails often exceeding 50%. Since the launch of the fundraising preference service in 2017, the charity has only seen two notifications of supporters wishing to opt out and only one of these was witnessed in this financial year.

Objective 6. Support and develop our staff and volunteers

What we wanted to achieve

- In 2018-19 we plan to continue to support as many staff as possible to develop new skills and competencies. This will be through formal training (degrees and apprenticeships) as well as on the job opportunities through shadowing and education sessions.
- In 2018-19 a second staff survey will be conducted. The information gathered from this will be used to understand what staff need to perform well, to help them be content in their work and, importantly, how

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they feel about working for the charity.

- The staff forum and volunteer forum will continue to be utilised to seek and hear the voices of staff and volunteers
- In 2018-19 we will introduce a staff recognition programme. This will start with recognising long service, but we hope to evolve it in other ways in order to recognise our incredible staff and their contributions to our work.

What we achieved

- We had two staff undertake degree courses and have supported three staff in apprenticeships. We have trained 54 volunteers in the dementia friends information sessions since we began this in November 2018 and are encouraging more volunteers to attend. We have added safeguarding and fire safety to volunteers' online training and circulated the new fire safety leaflet to all volunteers. We have improved our volunteer induction training to include more information about palliative care and the overall structure of the Hospice. We also provide communications training run by our Chaplain which runs bi-monthly. So far, 15 volunteers have attended the two sessions already delivered, with 23 booked on to the next four sessions. In 2018 we launched the student volunteer programme which provided seven students aged 16 the opportunity to experience a range of roles within the Hospice from October 2018 to April 2019. Students buddied existing volunteers in roles including the Bistro, reception and the IPU to gain insight into what is involved in running a Hospice as a whole. The students followed a structured programme on which we are building for the new cohort in 2019. Feedback was exceptionally positive and the majority of students are staying on as permanent volunteers, ad hoc volunteers or Ambassadors. The IPU and Lymphoedema services have developed staff competencies to support staff development.
- We undertook the staff survey in the Summer of 2018 and achieved 123 responses. The feedback was very positive and we were pleased to collect a Best Employer Gold accreditation as a result. Staff, managers and Trustees were involved in the creation of an action plan to continue to build on our staff engagement.
- Staff Forums have taken place every two months, with a wide variety of topics being discussed. All new starters have been invited to attend a forum and the notes are widely circulated in the Staff Bulletin. Senior management provide a general update to attendees at each meeting and report back on any actions arising from previous meetings. Discussion points have included health and safety, fundraising events, staff well-being, staff survey, car parking, catering provision, social events, etc. We have introduced monthly social events to allow volunteers to build relationships with both the team and fellow volunteers.
- We have involved staff in discussions to look at how we can further recognise their contributions. We celebrated an employee's 30 years of service in May 2018 with a special afternoon tea event and formalised the Long Service Award Policy in November 2018. We were delighted to welcome over 50 guests to the Hospice in October 2018 for a celebration evening. The annual occasion, which was attended by the Mayor of Cambridge, provided a chance to reflect on the last 12 months and acknowledge and recognise those involved in the successes. It also focused on thanking the 200 staff and the 500 plus strong team of dedicated volunteers who make very real differences to patients, their loved ones and supporters every day of the year. The Mayor commented he felt privileged to be able to present the awards to the extremely worthy team of volunteers and spoke positively of the impact the work of the Hospice has for those in the community. The Mayor presented 13 volunteers with long service awards for 5, 10, 15 and 20 years' service. Volunteers are integral to the day-to-day operation of the Hospice, providing clinical, administrative and fundraising support, depending on which of the many roles they take on.

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Patients supported - The hospice has supported increased numbers of patients during the year:

Number of referrals	18/19	17/18
In-patient Unit (specialist beds)	282	387
In-patient Unit (nurse-led beds)	438	62
Day Therapy	288	187
Hospice at Home	739	575
Specialist Palliative Care Home Team	886	701
Lymphoedema	182	174
Patient and Family Support Services	256	305
Pain Management	32	47
Complementary Therapy	259	267
Medical Outpatient and Domiciliary	149	122
Community HUB	128	68
Total	3,639	2,895
Number of face-to-face contacts/appointments	18/19	17/18
Day Therapy	2,050	2,466
Hospice at Home	1,901	1,426
Specialist Palliative Care Home Team	2,019	1,709
Lymphoedema	1,210	1,100
Patient and Family Support Services	780	623
Pain Management	31	31
Complementary Therapy	724	528
Medical Outpatients and Domiciliary	217	82
Community HUB	40	35
Total	8,972	8,000
Number of telephone contacts	18/19	17/18
Day Therapy	781	602
Hospice at Home	4,039	2,782
Specialist Palliative Care Home Team	6,109	6,295
Lymphoedema	752	519
Patient and Family Support Services	422	242
Pain Management	15	72
Complementary Therapy	258	151
Medical Outpatients and Domiciliary	320	360
Community HUB	1,401	1,019
Total	14,097	12,042
In-patient Unit (specialist beds)	18/19	17/18
Number of beds	12	12
Bed occupancy	89%	89%
Number of patients	189	208
Number of discharges	178	198
Average duration (days)	22.5	19
Available bed days	4,380	4,380

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FOR THE YEAR ENDED 31 MARCH 2019

In-patient Unit (nurse-led beds)	18/19	17/18
Number of beds	9	4.1
Bed occupancy	74%	90%
Number of patients	216	56
Number of discharges/deaths	208	49
Average duration (days)	10.5	6.2
Available bed days	3,285	498
Alan Hudson Day Treatment Centre – Wisbech	18/19	17/18
Number of referrals	246	232
Day care (sessions attended)	728	770
Treatment patients (sessions attended)	2,085	1,852
In-patients on Trafford Ward supported	41	57
Lymphoedema	18/19	17/18
Number of referrals	182	174
Number of discharges	225	124
Caseload as of 31 March	383	426
Number of appointments	1,210	1,100
Hospice at Home	18/19	17/18
Number of referrals	739	575
Number of discharges	731	564
Preferred place of death achieved	94%	95%
Contacts with patients or representatives (telephone)	4,039	2,782
Contacts with patients or representatives (face-to-face)	1,901	1,426
Specialist Palliative Care at Home	18/19	17/18
Number of referrals	886	701
Number of discharges	842	749
Contacts with patients or representatives (telephone)	6,109	6,295
Contacts with patients or representatives (face-to-face)	2,019	1,709

How we operate

Conference and Education Team

Our Education and Conference Centre has gone from strength to strength with a 45% increase in learners and visitors. In 2018/19 196 events involving 3,931 learners/visitors were delivered and supported. These included: study days, external training sessions and venue hire events.

Hospices have a long history of delivering training around palliative and end-of-life care and through our support from the CCG, we provide training free of charge to our local community NHS providers. Last year we delivered 40 courses in the Hospice to 506 learners. Our courses cover a wide range of topics related to palliative care such as:

- Wellbeing and Selfcare for Healthcare Professionals Working in Palliative Care
- End of Life Across the Faiths
- Caring for the Dying Patient
- Working with Loss in Palliative Care

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FOR THE YEAR ENDED 31 MARCH 2019

In March 2019 we successfully launched "GP Saturdays" with the topics Symptom Management and Complex Dying and reached 59 learners. We plan to repeat this next year. We ran two commissioned Communication workshops for the Cambridge and Peterborough NHS Foundation Trust.

We are a Regional Centre for delivering the Gold Standards Framework (GSF) for Care Homes and offer a programme each year. In this period, four care homes from the East of England completed the programme, and two care homes successfully achieved Commended in their accreditation: Symonds House, Linton and Soham Lodge Care Centre, Soham.

Educational visits were provided to two Chinese delegations and we took part in an international Summer School. There is quite a lot of interest from health providers in other parts of the world about the provision of palliative and end-of-life care in Britain.

We have partnerships with regional Universities and provide placements for student nurses, allied health professionals and medical students which introduces them to a palliative care career and provides income.

Bistro and catering provision

Our chef and his team provide nourishing fresh food for our in-patients. The dietary requirements of our patients are very important and the Bistro Team take advice from our clinicians and work with an external nutritionist to understand this.

Our catering team also prepare food for our Bistro which is open to patients, their families, volunteers, staff and the general public. It was our intention when designing the hospice that the Bistro should be the hub of the Hospice and that patients and the public should eat alongside each other. We wanted to demonstrate that hospices are as much about life as they are about dying. This is working very well and indeed our Sunday lunches have become quite famous in Cambridge. It was also our intention that the Bistro would contribute to the income of the Hospice thereby helping to pay for services.

Approach to fundraising

We consider ourselves an integral part of the community and it is this strong relationship that allows the charity to fund a large proportion of the care we deliver. Whilst there is evidence from organisations such as the Charities Aid Foundation and NCVO that attendance at mass participation events has seen a decline nationally, we have continued to retain a good level of support at our five flagship events. These range from walks and fun runs to a remembrance style event which incorporates an appeal element.

We continue to span a range of fundraising activities including a number of initiatives run by the various departments within the team. These include an Accumulator Challenge which reaches out to businesses and more community focussed activities such as Time for Tea and the Christmas Tree Recycling Appeal. Challenges and collections continue to play a valuable part for the charity in raising both funds and the profile of the Hospice. Success has also been witnessed around our approaches to grant-making bodies and trusts. The number of players in our lottery has been relatively static over this period and plans are in place to work with Your Hospice Lottery, our lottery provider, to build support in this area in the coming year.

Since the introduction of a dedicated In Memory Giving officer, we have received many dedications for our memory tree, launched sunflower memories and developed our tribute funds. This will remain an important ongoing piece of work to support the loved ones of those for whom we have cared and in doing so help sustain the funds needed for our existing services. To further complement this a series of events has taken place regarding gifts in wills and it is hoped that over time we will see the value of Gifts in Wills received increase to the £1.1m+ witnessed in other similar sized hospices. A campaign is planned for the new financial year.

We continue to send quarterly newsletters and have developed these materials over the past twelve months. The appointment of a new mailing house has led to the newsletter becoming a collection of branded pieces with a more personalised approach to supporters. This has been well received and the charity continues to rotate

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between including raffle tickets and inviting a donation as well as seasonal opportunities such as promoting the charity Christmas cards.

Fundraising conforming to recognised standards

We have continued our membership with the Fundraising Regulator and Hospice UK. All fundraising staff are also members of National Association of Hospice Fundraisers (NAHF). Throughout the year staff have the opportunity to attend regional meetings and the national conference to develop good practice and heighten learning.

We continue to work with Your Hospice Lottery (operated by St Helena Hospice). This is an experienced and professional team, who now engage with a total of 13 hospices. The lottery team are in regular contact and player and industry updates are provided at least four times per year. We also hold a gambling licence to run our annual cash and prize raffles. The promoter previously Lynn Morgan, has switched to Sharon Allen on her appointment into the role of CEO from 1 April 2019.

We work on the basis of legitimate interest when communicating with supporters but we actively encourage opt in. A policy was created in preparation for the General Data Protection Regulations (GDPR) and we reference this as and when required. We recognise that to build a strong foundation with supporters it is necessary to develop meaningful relationships and therefore the team works hard to engage its supporters not simply broadcast to them.

Monitoring of fundraising carried out on our behalf

During the year we appointed Money Tree Fundraising to support with planned activities in 2019/2020. We were mindful of the changing fundraising landscape and the need to take a proactive approach to better understand potential opportunities through external guidance.

We work with individuals, organisations and businesses across the county. These are typically in the more traditional areas of cake sales and concerts. When notified of these activities we will offer the appropriate level of support and provide guidance around GDPR and/or, Gift Aid as well as practical advice around running the activity.

Like many charities we are heavily reliant on volunteers. The volunteers are enlisted to support with a host of events and in each instance, a staff member takes responsibility for securing volunteers and providing briefings in person or by email in advance of the activity as well as completing any post event follow ups or reviews.

Fundraising complaints

We have received 18 reports of spam email through our dedicated email system Little Green Plane. On each occasion these are reviewed and we are happy that these are of an acceptable level given the circa 66,000 emails sent in the year. Due to GDPR, the number of emails sent have reduced by 30,000 when compared to those sent in the previous year. We have received no complaints although we have had one person wishing to unsubscribe from communications via the Fundraising Regulator during this period. This had already been actioned further to a communication from the supporter directly.

Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate

We do not provide any incentivised pay structure around fundraising. Each team member is aware of our ethical approach to fundraising and the requirement to work within the framework provided by the Code of Fundraising practice. The team are encouraged to build long term relationships and work to develop ongoing support, rather than work on a transactional basis. The fundraising team are transparent about how funds will be used, the options around restricting donations and the shortfalls that we may encounter in our fundraising activities. All of these actions help to build trust, stimulate a feeling of loyalty and ownership in our community.

The patient and supporter databases are independent of one another to ensure that patient confidentiality is

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

protected at all times. Upon their employment all staff at the charity, including the fundraising team, complete mandatory training which includes data protection, safeguarding of adults and safeguarding of children. Typically, refreshers are required on an annual basis thereafter. The need to do this is flagged up in monthly team meetings.

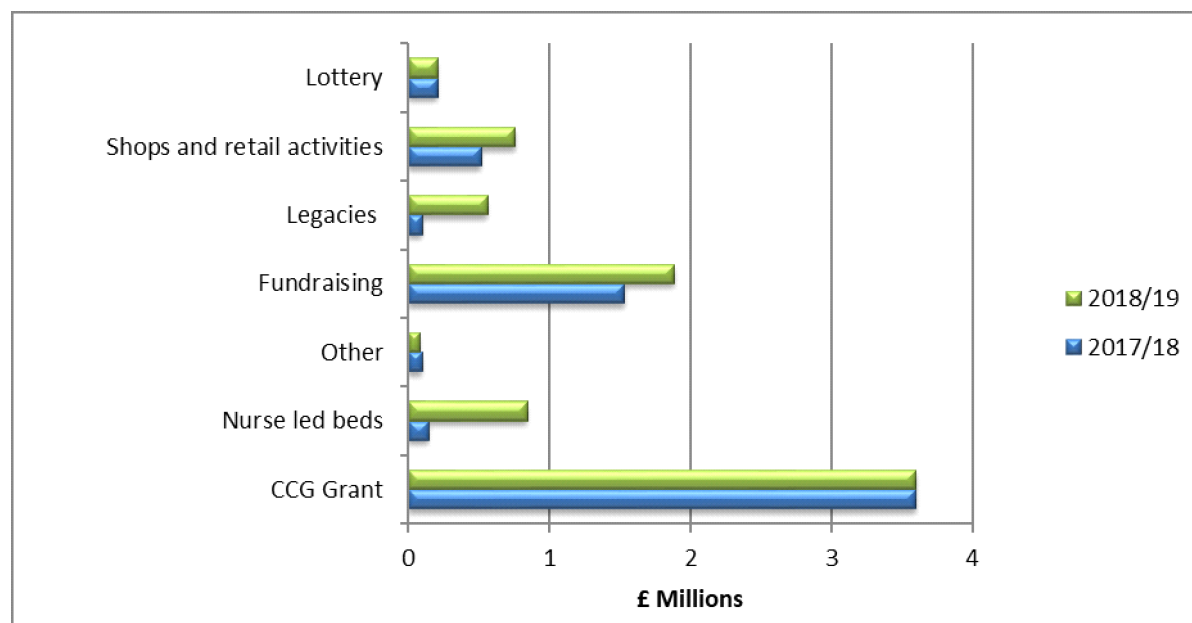
FINANCIAL REVIEW

Although this has been a financially challenging year for the charity we are pleased to report an increase in income on the prior year. Expenditure has been managed tightly and recruitment in service delivery areas has been put on hold on occasions throughout the year. This situation has resulted in a net surplus before transfers on unrestricted funds (i.e., unrestricted income less unrestricted expenditure) of £112k.

In respect of the contracted income from the CCG to deliver end-of-life care for Cambridgeshire, the charity incurred a loss of £140k which is represented by a transfer from unrestricted to restricted funds.

Income

The chart below shows our income compared to the previous year.



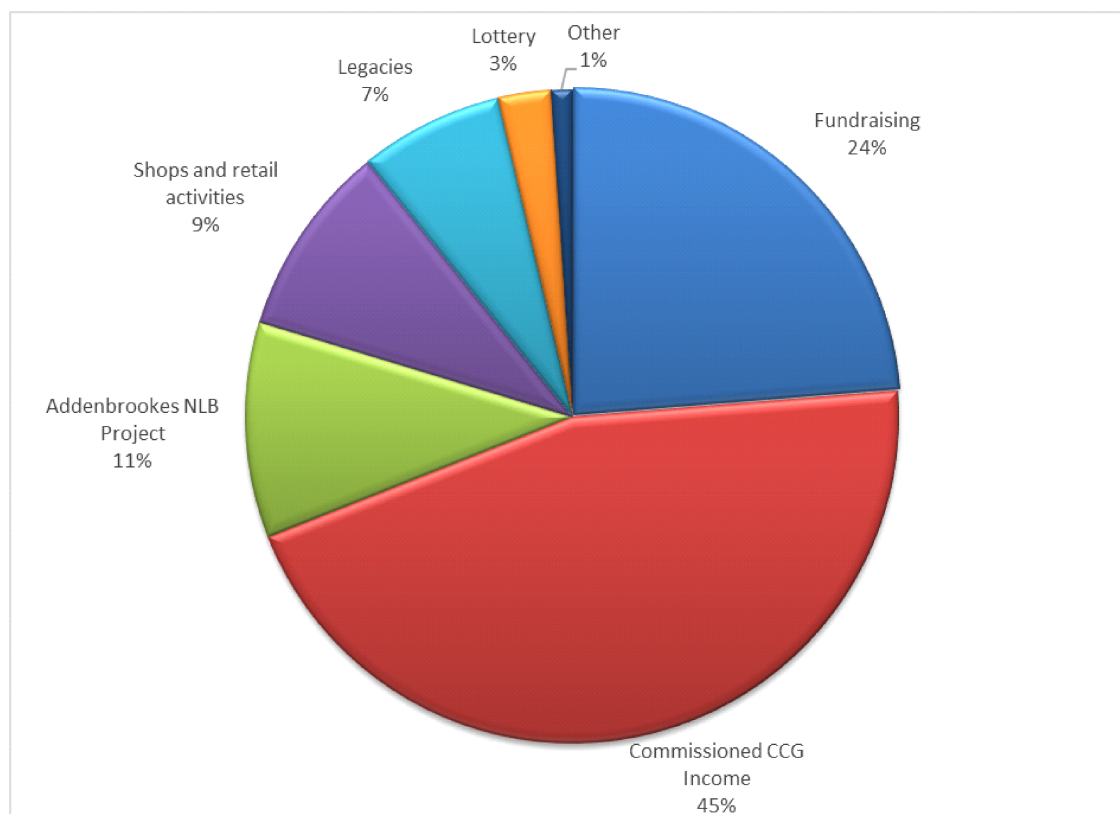
- The charity's total income was £7.95m (2018: £6.21m).
- The fundraising income is £1.89m, an increase of £350k on the income from the previous year due to an increased level of donations and grants.
- The charity is extremely grateful for all Gifts in Wills and income for the year was £566k. The income from these gifts was £467k higher than last year.
- The income from the charity's shops and other retail activities was £667k which was an increase of £146k on the previous year.
- With the increase in bed availability for the Addenbrookes NLB, our NHS income increased by £780k to £4.52m in the current year; which combined with the CCG Grant comprises 57% of our total income.

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- The charity was extremely grateful to receive £453k (2018: £278k) in both unrestricted and restricted grants and donations from charitable trusts. Trust donors included: The Baxter Foundation, The Bernard Sunley Charitable Foundation, Dementia UK, The D'Oyly Carte Charitable Trust, The Evelyn Trust, The Frank Litchfield General Charitable Trust, The Friends of Wisbech Hospital with support from the Robert Hall Charity, Girton Town Charity, Hospice UK, The Hospital Saturday Fund, The Hudson Foundation, Kirby Laing Foundation, The Masonic Charitable Foundation, The Strangward Trust and Wryde Croft Windfarm Community Fund.

The chart below shows the proportion of income that we received in the year from different sources.

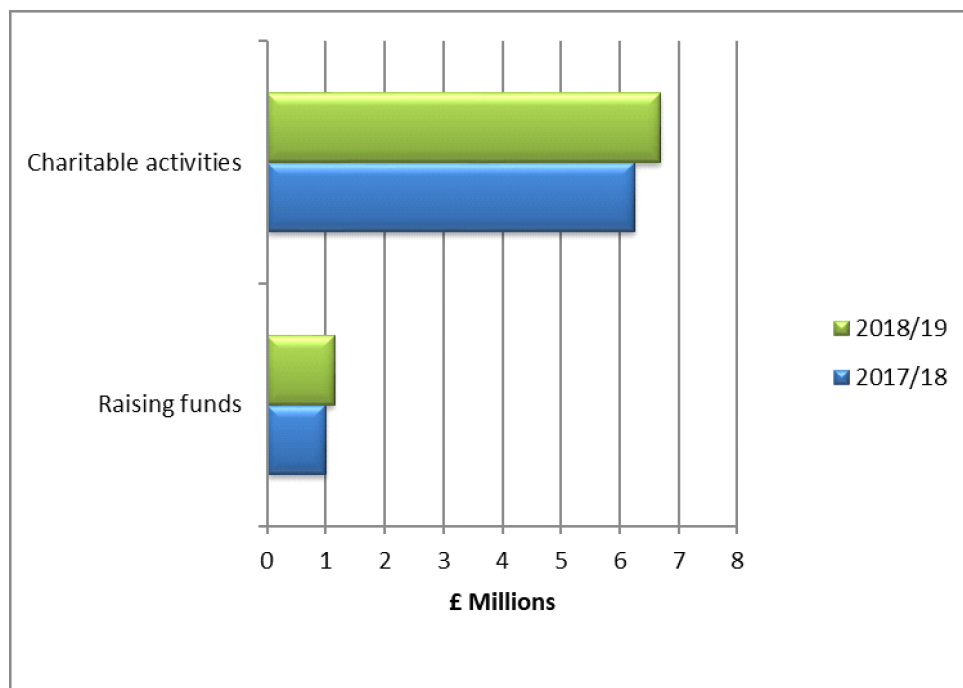


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Expenditure

The chart below shows our expenditure compared to the previous year.



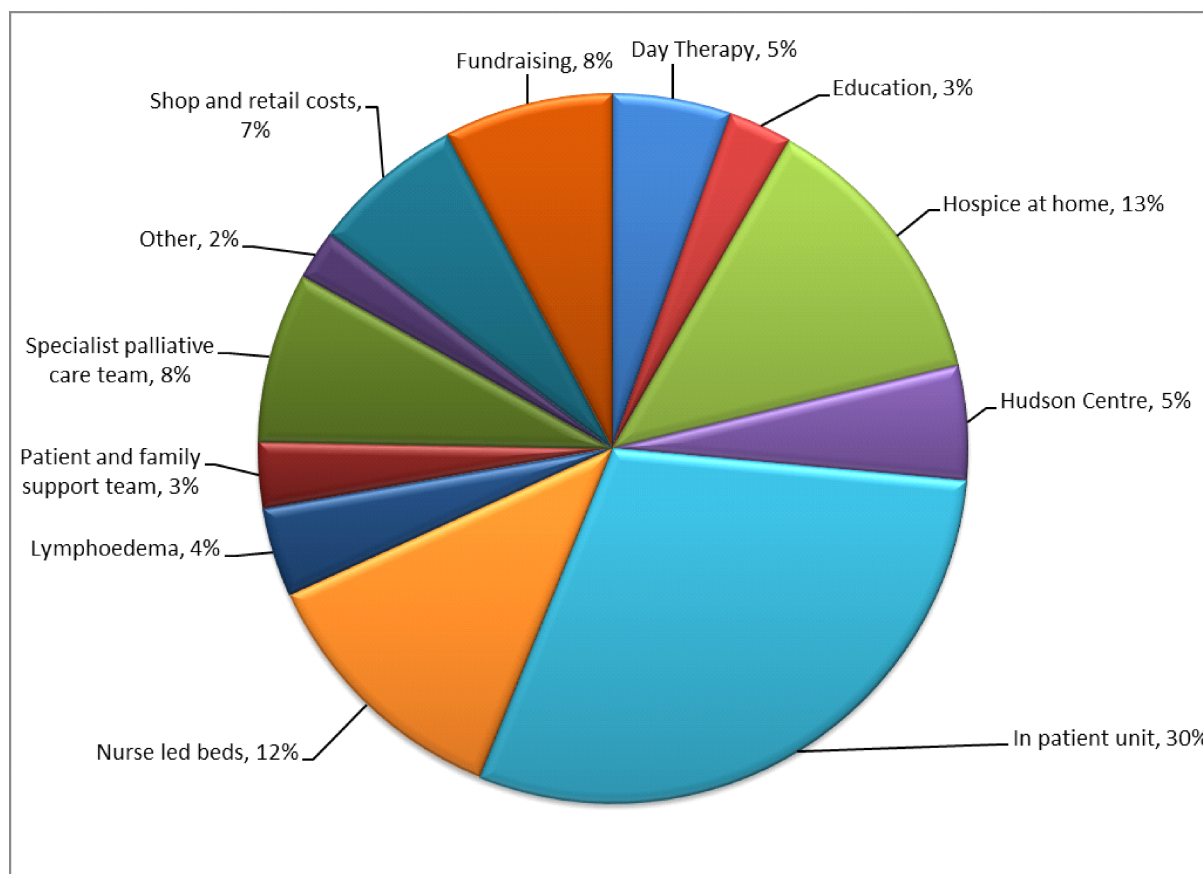
Overall expenditure increased this year to £7.84m from £7.26m last year.

- 85% of all the expenditure this year has been spent on charitable activities.
- The expenditure on direct charitable care has increased by £580k to £5.03m (2018: £4.45m), due in part to the increase in bed capacity of the NLB scheme.
- £1.66m (2018: £1.81m) was spent supporting direct delivery of charitable care. This included (but is not restricted to) medical, clinical administrative support, facilities and catering, the management team, communications, finance and IT.
- £604k was spent on fundraising activities (2018: £619k). This excludes the fundraising costs of retail activities totalling £547k, of which £95k were incurred in the charity's trading company highlighted below.

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FOR THE YEAR ENDED 31 MARCH 2019

This graph below shows the proportion of expenditure within each area.



Trading Company - Arthur Rank Hospice Limited

The charity has a separate subsidiary trading company through which our trading activities are managed, these include the sales of new goods, venue hire and sales in our Bistro.

These consolidated accounts include income and expenditure generated by the trading company.

The income from the lottery and sales from donated goods were transferred to the charity at the start of the year as these activities fall within our charitable activities.

Gross income from retail activities was £258k (2018: £521k). This has reduced as the sale of donated goods is now recognised directly within the charity accounts. Expenditure amounted to £95k (2018: £289k). The net amount covenanted to the charity was £163k (2018: £425k).

The net profit that can be attributed to retail activities is £163k (2018: £438k).

Reserves policy and going concern

Following the major transformation when the charity went independent in August 2015 and the significant expenditure incurred in building and moving in to the new hospice, the Trustees gave careful consideration to what level of reserves the charity should aim to hold following this change.

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TRUSTEES' REPORT (continued)
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The Trustees are also mindful of the Charity Commission publications: Charity reserves – building resilience (CC19), and Managing a charity's finances: planning, managing difficulties and insolvency (CC12).

Using the definition of reserves proposed by the Charity Commission, the Trustees believe the charity should target liquid-free reserve levels of £2,000,000 over the next ten years. This is equivalent to 3–4 months' total cash running costs, based on our current estimates for 2018/19.

Total free reserves of the charity at 31 March 2019 were £1.06m (31 March 2018: £1.09m). Free reserves comprise those funds that are freely available to spend on any of the charity's purposes. This excludes restricted funds and tangible fixed assets held for the charity's use. As such, reserves are currently considerably below our target level. The Trustees monitor income and expenditure budgets closely, and will be introducing new fundraising initiatives with an aim to rebuild reserves to the target level as soon as it is prudent.

Following the Charity Commission's advice that charity trustees consider the possibility of an unplanned closure, the Trustees view the possibility of unplanned closure as very unlikely. There is always going to be significant demand for end-of-life care in Cambridgeshire. Even if the charity was no longer providing end-of-life care, it is very likely that the NHS staff who transferred in under TUPE in August 2015 would transfer out under TUPE to a new provider. And, in extremis, the charity's balance sheet (net of the secured loan to Cambridgeshire County Council) would provide additional resources beyond reserves to fund a solvent liquidation.

Management and Trustees have prepared detailed month-by-month budgets for the year ending 31 March 2020, and less detailed projections for the following years. No material uncertainties related to events or conditions that might cast doubt about the ability of the charity to continue as a going concern over the next two years have been identified by the Trustees. Accordingly, the Trustees are of the view that the charity is a going concern.

Investment policy

In accordance with the charity's constitution, the Trustees have the power to invest in such stocks, shares, investments and property as they see fit. The Trustees are mindful of the recommendation of the Charity Commission with regard to the management of investments and have a sub-group of the Finance Committee to focus on investment. The charity has also developed a formal investment policy and strategy which has been approved by the Trustees. However due to the current financial situation of the Charity the investment sub-group is dormant until such times as we are in a position to invest.

When we are able to invest funds no investment will knowingly be made directly in tobacco and related products or in any other products which run counter to the ethical standards of the charity.

Risk management

A comprehensive risk register is maintained by the senior leadership team and reviewed by the Trustees at least twice a year, and more frequently if necessary.

For each specific risk, the register describes the risk and assesses the level of risk, the likelihood of it happening and the potential impact. The register also includes proposed mitigation for each risk.

Our most significant risks and mitigating actions are set out in the following table:

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FOR THE YEAR ENDED 31 MARCH 2019

Principal risks	Management of risk
Risk that salaries of NHS staff could be increased under years two and three of the Agenda for Change, which would put pressure on the salary budget and impact cash flow	<ul style="list-style-type: none">• Monitoring of situation• We are part of the Hospice UK campaign to ensure Treasury funds are made available to us to cover this cost• ARHC received funding towards the costs of the increase in year one directly from the Department of Health and Social Care
Risk that if there is a prolonged period with reduction in income from the various income streams, there could be impact on the organisation's ability to deliver services and the strategic objectives	<ul style="list-style-type: none">• Monthly expenditure is closely monitored• The Finance Committee regularly consider the implications of this• Trustees are kept fully informed
Risk that the NHS will have an expectation that the charity will significantly increase its share of funding over a very short period of time and will want to disinvest	<ul style="list-style-type: none">• Close monitoring of any information coming from the CCG• The expectations of the CCG are managed. Assurances have been given that the CCG are keen to maintain the service• Close monitoring of monthly spending• Trustee are kept fully informed
Risk of a significant drop in legacy income and therefore a lower than expected revenue income	<ul style="list-style-type: none">• Monthly spend is closely managed• The Finance Committee regularly considers the implications of this• The Legacy Officer held a "make a will" month, and is working on personalised communications trialled ready for a retirement event, which will be refined for future plans

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TRUSTEES' REPORT (continued)
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Beyond the specific mitigation strategies for each risk, the Trustees take the strategic view that the overarching risk mitigation strategy is to ensure that the charity is well led by its senior leadership team, supervised and supported by the Board of Trustees.

Objectives for the next 12 months

In setting objectives for the year ending 31 March 2020, Trustees recognise the appropriateness of continuing with this year's objectives, and also the need to continually change, evolve and improve the charity's services in accordance with our five-year strategy. Accordingly, the charity's aims are to:

Objective 1. Develop our services to meet the changing needs of our population

- We will continue to build on the work that our Admiral Nurse Allison Bentley has set up in partnership with Dementia UK and will be looking at how this valuable service can be commissioned in the long term. We will evaluate the service to evidence the reach, impact and experience of the benefits of having an Admiral Nurse by creating a dashboard with data gathered from SystmOne, OACC outcome measures and evaluation forms.
- We will secure funding from the CCG to deliver specialist palliative care community nurse services in the Fenlands by employing a specialist palliative care nurse in addition to the existing team at the AHDTC.
- We will continue our efforts to secure funding to provide a key worker for the transitioning of Young Adults to work in partnership with EACH and Sue Ryder Thorpe Hall.
- We will continue our efforts to identify areas of unmet need and explore how we can work with our partners to address gaps in services, collaborate and work to make efficiencies and improvements in patient care such as end of life care in heart failure and MND.

Objective 2. Broaden our reach to ensure we are meeting the needs of all who would benefit from our care and create greater equity of service

- We will continue to expand our bereavement support in AHDTC Wisbech.
- We will explore options for commissioning our two remaining beds on the inpatient unit in order to meet the changing health and social needs of our population, for example those end-of-life patients with complex neurological conditions.
- We will continue to explore ways to maximise services delivered from the AHDTC.
- We have re-established our internal Equality, Diversity and Inclusion Working Group and will agree our action plan to ensure our services are accessible to all.

Objective 3. Evaluate and continuously improve our governance structure

- Our new CEO will work with our Trustees to review and further enhance our governance processes to ensure optimum efficiency and effectiveness.
- 2019/20 is the year of Quality Improvement and each team is identifying areas where quality can be further enriched.
- We will implement software which will enable us to review OACC measures and make informed decisions around how our services are affecting patient outcomes.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Objective 4. Develop our education and research capacity

- We will undertake training needs analysis for our teams to identify skills gaps and training development needs so we can plan to ensure our workforce has the right skills fit for the future.
- We will continue to work with ARU and explore opportunities to develop collaborative working with other education providers locally.
- We will continue to link with the CLAHRC to undertake and participate in research relating to palliative and end of life care.
- We will review our education programme and ensure staff are trained to deliver high quality end of life care. We will develop our existing staff to enable them to teach others.

Objective 5. Develop the financial and operational resilience of the charity

- We will continue to explore innovative ways to increase our income and manage resources effectively.
- We will review our business continuity plans in relation to Brexit to mitigate risks to our service delivery and align these with our emergency preparedness and resilience response policy so that we have one document for managing major incidents. We will test our business continuity plans to ensure they are robust and we will refine as necessary.
- We will work collaboratively with the CCG as they review all service provision to ensure that the Hospice continues to provide excellent value for money and is proactive in identifying and planning to meet the needs of our local communities.
- We will launch our "Help Us Be There" campaign with the ambition of raising £100, 000 to provide an additional 200 nights of Hospice at Home support.

Objective 6. Support and develop our staff and volunteers

- We will continue our work with the Education team to review our education plans and upskill our staff.
- We will continue to implement our staff survey action plan, with regular progress reports being made to staff and senior leaders. We will seek to engage champions within the workforce to encourage maximum participation for the 2020 survey.
- We will review our workforce to ensure we have the right skills in the right place. We will look at introducing the role of Nursing Associate to the Hospice and will look at mapping out career progression opportunities for staff.
- We will continue to build on the work we have commenced on our staff recognition programme and establishing our long service award scheme.
- We will develop an organisational workforce development programme, including a review of the appraisal process.
- We will re-shape our volunteer support team to better equip us to value and support our fantastic group of volunteers as well as recruit new volunteers.
- We will analyse the results of our second volunteer survey and implement an action plan to address any areas for improvement.

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FOR THE YEAR ENDED 31 MARCH 2019

- We will seek to further support our staff by involving them in the creation of our Well-being Strategy.
- We will continue to investigate new and innovative opportunities for volunteers to support us across all of our services.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charity is a charitable company limited by guarantee. The company was incorporated under an Articles of Association on 25 November 2009 and is a registered charity, number 1133354. It received charitable status on 21 December 2009. The members of the company are the Trustees named below. In the event of the company being wound up, the liability of Trustees and members in respect of the guarantee is limited to £10 each.

The charity previously operated as an unincorporated charity which was founded in 1981 and established by Trust Deed in 1982. With effect from 1 February 2010, the assets of the unincorporated charity, renamed Arthur Rank House Hospice Charity, registered charity number 1133354 1 (formerly number 283353), were transferred to the charitable company. Under a Uniting Order dated 29 April 2010, Arthur Rank House Hospice Charity is now treated as part of Arthur Rank Hospice Charity.

The Trustees that served during the year were:

Isabel Napper, Chair of Trustees (resigned 13 June 2019)
Natalie Acton (appointed 13 June 2019)
Jennifer Brook
Dr Arnold Fertig
Graeme Jones (resigned 27 September 2018)
Stephen Kay
Mark Kingstone (appointed 13 June 2019)
Kate Kirk
Dr Alex Manning
Lee Maughan
John Short
Rosy Stamp

Biographical details of all trustees are included in the Annual Review and at www.arhc.org.uk

Appointment of Trustees

The charity has appropriate policies and procedures in place for the recruitment, appointment and training of new Trustees. In accordance with Charity Commission recommendations, the charity is aware of the importance of a diverse range of skills, background and experience among Trustees to ensure good governance. The usual approach to recruitment is to advertise but where specific skills or knowledge are required to strengthen the board's expertise, the charity will seek out people with those skills and ask them to apply. These candidates are then interviewed and considered in the normal way.

Trustees are usually appointed for an initial period of three years which may, subject to satisfactory performance, be renewed for up to two further terms of three years each. A Trustee would not normally serve for more than nine years but can be invited to serve for an additional three year term at the request of the Trustees.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

The induction and training of new Trustees

New Trustees are provided with an induction pack which includes the charity's constitution, accounts and annual reports together with Charity Commission publications relating to the role of a Trustee and material from the Hospice UK induction pack. They are encouraged to attend the Palliative Care Overview course run at Arthur Rank Hospice, which covers:

- the background and history of the hospice movement and palliative care;
- the working arrangements between the charity and the NHS;
- clinical aspects of the care at the Hospice; and
- strategy, expenditure, income generation and other detailed information about the charity

Trustees are also invited to observe service delivery where appropriate and feasible. This year, for example, Trustees have attended day therapy sessions, and visited the AHDTC at Wisbech.

Remuneration policy

The key management personnel of the charity and the group comprise the Trustees and the senior leadership team, being the CEO, Director of Clinical Services, the Finance Director, the Medical Director, the Director of Fundraising and Communications and the Director of HR.

The Medical Director transferred in from the NHS in August 2015 and continues to be paid in accordance with the NHS salary framework. Her role is assigned to individual NHS salary bands subject to satisfactory performance. She also receives annual increments on the anniversary of her appointment until she reaches the top of her band. Salaries of other key management personnel are reviewed annually by Trustees, taking into account salaries paid for comparable roles in similar organisations. There are third-party salary surveys of remuneration in the hospice sector and charities more generally which provide helpful input to this process. Where senior employees take on significant new responsibilities during the year, salaries are adjusted accordingly.

Trustees serve *pro bono* and voluntarily.

A Remuneration and Nomination Committee is in place to provide focus, oversight and expertise on these matters, given the charity's increased workforce post-independence.

Organisational structure and decision making

The Trustees set the strategic agenda and general policy of the charity. The day-to-day affairs of the charity are managed by the CEO, who reports to the chair of Trustees. The CEO presents comprehensive reports to the Trustees at board meetings, which are held at least quarterly.

Within the organisation, there are also a number of sub-committees, which are set up to review each aspect of governance in more detail. Each sub-committee is made up of Trustees and supported by senior staff. Each committee reports back to the Board of Trustees.

The structure and membership of these formal committees is detailed below:

Clinical Governance:

Dr Alex Manning (Chair)

Dr Arnold Fertig (Trustee)

Kate Kirk (Trustee)

Rosy Stamp (Trustee)

John Short (Trustee)

Sharon Allen OBE (CEO) (appointed 1 April 2019)

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Lynn Morgan (CEO) (resigned 31 March 2019)
Lorraine Petersen (Medical Director)
Sara Robins (Director of Clinical Services) (appointed 10 September 2018)
Liz Webb (Deputy CEO & Director of Clinical Services) (resigned 5 August 2018)

Finance:

Jennifer Brook (Trustee)
Dr Arnold Fertig (Trustee)
Lee Maughan (Trustee)
Sharon Allen OBE (CEO) (appointed 1 April 2019)
Karen Field (Director of Finance) (resigned 30 June 2019)
Lynn Morgan (CEO) (resigned 31 March 2019)
Jennifer Tunbridge (Director of Finance) (appointed 1 April 2019)

Remuneration and Nominations:

Rosy Stamp (Chair)
Stephen Kay (Trustee)
Isabel Napper (Trustee) (resigned 13 June 2019)
Jim Potter (Co-opted member)

Trading Company Board:

Lee Maughan (Chair)
Sharon Allen OBE (CEO) (appointed 2 May 2019)
Karen Field (Director of Finance) (resigned 2 May 2019)
Kate Kirk (Trustee)
Lynn Morgan (CEO) (resigned 2 May 2019)
Peter Northmore (appointed 10 July 2019)
Jennifer Tunbridge (Director of Finance) (appointed 2 May 2019)

Fundraising Development Committee

Kate Kirk (Chair)
Isabel Napper (Trustee) (resigned 13 June 2019)
Diana Jakubowska (Co-opted member)
Jim Potter (Co-opted member)
Sharon Allen OBE (CEO)
Donna Talbot (Director of Fundraising and Communications)

There is also a formal scheme of delegation in place which sets out roles, responsibilities and decision-making thresholds.

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Arthur Rank Hospice Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report was approved by the Trustees, on _____ and signed on their behalf by:

.....
Kate Kirk, Chair
Trustee

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Trustees

Isabel Napper, Chair (until 13 June 2019) (resigned 13 June 2019)
Jennifer Brook
Natalie Acton (appointed 13 June 2019)
Dr Arnold Fertig
Graeme Jones (resigned 27 September 2018)
Stephen Kay
Mark Kingstone (appointed 13 June 2019)
Kate Kirk, Chair (from 13 June 2019)
Dr Alex Manning
Lee Maughan
John Short
Rosy Stamp

Company registered number

07086155

Charity registered number

1133354

Registered office

Cherry Hinton Road, Shelford Bottom, Cambridge, CB22 3FB

Company secretary

Lynne Hays (resigned 13 June 2019)
Jennifer Tunbridge (appointed 13 June 2019)

Chief executive officer

Lynn Morgan (resigned 31 March 2019)
Sharon Allen OBE (appointed 1 April 2019)

Independent auditors

Peters Elworthy & Moore, Salisbury House, Station Road, Cambridge, CB1 2LA

Website address

www.arhc.org.uk

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTHUR RANK HOSPICE CHARITY

OPINION

We have audited the financial statements of Arthur Rank Hospice Charity (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the group Consolidated statement of financial activities

(incorporating income and expenditure account), the group Consolidated balance sheet, the group Consolidated statement of cash flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2019 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 group's or the parent 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 Auditors' report 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

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTHUR RANK HOSPICE CHARITY

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.

OPINION 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Group strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our 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 Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTHUR RANK HOSPICE CHARITY

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

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

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jayne Rowe (Senior statutory auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Date:

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2019

	Note	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	As restated Total funds 2018 £
INCOME FROM:					
Donations and legacies	2	519,624	1,411,570	1,931,194	1,176,471
Other trading activities	3	14,916	1,369,725	1,384,641	1,132,958
Charitable activities	4	3,600,195	1,031,776	4,631,971	3,901,263
Investments	5	-	2,976	2,976	1,212
TOTAL INCOME		4,134,735	3,816,047	7,950,782	6,211,904
EXPENDITURE ON:					
Raising funds	7	-	1,151,190	1,151,190	1,006,289
Charitable activities	8	4,104,156	2,584,255	6,688,411	6,258,616
TOTAL EXPENDITURE	6	4,104,156	3,735,445	7,839,601	7,264,905
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	20	30,579 (56,411)	80,602 56,411	111,181 -	(1,053,001) -
NET INCOME / (EXPENDITURE)		(25,832)	137,013	111,181	(1,053,001)
NET MOVEMENT IN FUNDS		(25,832)	137,013	111,181	(1,053,001)
RECONCILIATION OF FUNDS:					
Total funds brought forward		322,474	8,574,438	8,896,912	9,949,913
TOTAL FUNDS CARRIED FORWARD		296,642	8,711,451	9,008,093	8,896,912

The notes on pages 35 to 58 form part of these financial statements.

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)
REGISTERED NUMBER: 07086155

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	14		10,975,160		11,245,924
CURRENT ASSETS					
Stocks	16	9,665		12,887	
Debtors	17	844,447		321,602	
Cash at bank and in hand		1,570,626		1,629,187	
		2,424,738		1,963,676	
CREDITORS: amounts falling due within one year	18	(791,805)		(632,688)	
NET CURRENT ASSETS			1,632,933		1,330,988
TOTAL ASSETS LESS CURRENT LIABILITIES			12,608,093		12,576,912
CREDITORS: amounts falling due after more than one year	19		(3,600,000)		(3,680,000)
NET ASSETS			9,008,093		8,896,912
CHARITY FUNDS					
Restricted funds	20		296,642		322,474
Unrestricted funds	20		8,711,451		8,574,438
TOTAL FUNDS			9,008,093		8,896,912

The financial statements were approved and authorised for issue by the Trustees on
signed on their behalf, by:

and

.....
Kate Kirk, Chair

.....
Lee Maughan, Trustee

The notes on pages 35 to 58 form part of these financial statements.

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)
REGISTERED NUMBER: 07086155

COMPANY BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	14		11,632,465		11,878,303
Investments	15		10,000		10,001
			11,642,465		11,888,304
CURRENT ASSETS					
Stocks	16	814		1,868	
Debtors	17	865,361		361,653	
Cash at bank and in hand		1,488,700		1,560,534	
		2,354,875		1,924,055	
CREDITORS: amounts falling due within one year	18	(766,064)		(612,265)	
NET CURRENT ASSETS			1,588,811		1,311,790
TOTAL ASSETS LESS CURRENT LIABILITIES			13,231,276		13,200,094
CREDITORS: amounts falling due after more than one year	19		(3,600,000)		(3,680,000)
NET ASSETS			9,631,276		9,520,094
CHARITY FUNDS					
Restricted funds	20		296,642		322,474
Unrestricted funds	20		9,334,634		9,197,620
TOTAL FUNDS			9,631,276		9,520,094

The financial statements were approved and authorised for issue by the Trustees on
signed on their behalf, by:

and

.....
Kate Kirk, Chair

.....
Lee Maughan, Trustee

The notes on pages 35 to 58 form part of these financial statements.

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	248,617	(133,746)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(226,253)	(65,227)
Net cash used in investing activities		(226,253)	(65,227)
Cash flows from financing activities:			
Repayments of borrowings		(80,925)	(123,508)
Net cash used in financing activities		(80,925)	(123,508)
Change in cash and cash equivalents in the year		(58,561)	(322,481)
Cash and cash equivalents brought forward		1,629,187	1,951,668
Cash and cash equivalents carried forward	23	1,570,626	1,629,187

The notes on pages 35 to 58 form part of these financial statements.

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Arthur Rank Hospice Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

1.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 27. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust 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 company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company 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.

Donated services or facilities are recognised when the company 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 company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of volunteers is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Donated goods for resale are recognised once sold.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the Bank.

Grants in the form of donations are recognised when received or, before receipt if it becomes reasonable certain that the donation will be received and the value of the income can be reliably measured.

Lottery income is recognised in the period to which it relates and events income is recognised when the event has occurred.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings. Support costs have been allocated between cost of raising funds and expenditure on charitable activities based on direct costs.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred..

1.6 GOING CONCERN

The trustees have reviewed the financial position of the group and have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated statement of financial activities.

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2-20% straight line
Leasehold land	-	1% straight line
Fixtures, fittings, equipment & artwork	-	10-33% straight line

The range of depreciation rates on the hospice reflect the various components.

1.9 INVESTMENTS

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.11 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 CASH AT BANK AND IN HAND

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

1.13 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. ACCOUNTING POLICIES (continued)

1.14 FINANCIAL INSTRUMENTS

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The Charity also contributes to the NHS defined benefit scheme for members of staff who transferred to it with NHS pension scheme membership. It is not possible to identify the Charity's share of assets in this scheme and therefore contributions are accounted for as if they were made to a defined contribution scheme.

1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Depreciation of hospice - the various components of the hospice have been identified from the Component Replacement Report provided by Faithful Gould. This report was produced at the commencement of the project and as such final costs exceed those that the component depreciation was calculated on. The additional costs have been pro-rated across the various depreciation rates in accordance with the percentage values. The trustees have reviewed the depreciation rates and charge in the year and are satisfied on the basis the estimate is calculated.

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	As restated Total funds 2018 £
Donations	173,165	739,151	912,316	798,258
Legacies	(2,244)	568,015	565,771	99,245
Grants	348,703	104,404	453,107	278,968
	<u>519,624</u>	<u>1,411,570</u>	<u>1,931,194</u>	<u>1,176,471</u>
Total donations and legacies				
	<u>292,947</u>	<u>883,524</u>	<u>1,176,471</u>	
Total 2018				

3. FUNDRAISING INCOME

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Events and fundraising	11,393	374,071	385,464	378,631
Other	481	31,514	31,995	22,347
Shop income	3,042	755,233	758,275	520,803
Lottery income	-	208,907	208,907	211,177
	<u>14,916</u>	<u>1,369,725</u>	<u>1,384,641</u>	<u>1,132,958</u>
Total 2018	<u>8,479</u>	<u>1,124,479</u>	<u>1,132,958</u>	

Included in other (restricted and unrestricted) is £28,621 (2018: £17,679) of gifts in kind.

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Grant from CCG to deliver end-of-life care	3,600,000	-	3,600,000	3,600,000
Education	-	8,185	8,185	15,907
Other statutory income	105	175,464	175,569	139,066
Other	90	-	90	794
Nurse led beds	-	848,127	848,127	145,496
	<u>3,600,195</u>	<u>1,031,776</u>	<u>4,631,971</u>	<u>3,901,263</u>
Total 2018	<u>3,746,331</u>	<u>154,932</u>	<u>3,901,263</u>	

5. INVESTMENT INCOME

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income - local cash	-	2,976	2,976	1,212
Total 2018	<u>-</u>	<u>1,212</u>	<u>1,212</u>	

6. ANALYSIS OF EXPENDITURE BY ACTIVITY

	Direct costs £	Support costs £	2019 £	2018 £
Fundraising	937,666	213,524	1,151,190	1,006,289
End of life care services	5,030,199	1,658,212	6,688,411	6,258,616
Total	<u>5,967,865</u>	<u>1,871,736</u>	<u>7,839,601</u>	<u>7,264,905</u>

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

7. FUNDRAISING COSTS

	Direct costs £	Support costs £	2019 £	2018 £
Challenges	32,843	8,294	41,137	71,505
Collections	8,328	2,103	10,431	10,299
Community fundraising events	69,189	17,473	86,662	76,514
Events	106,892	26,994	133,886	129,673
Fundraising costs	151,001	38,134	189,135	224,396
Corporate	34,578	8,732	43,310	40,526
Legacies	21,667	5,472	27,139	35,155
Trusts	10,585	2,673	13,258	18,426
Engagement	47,147	11,907	59,054	12,753
Retail	363,274	91,742	455,016	109,852
Shop costs	92,162	-	92,162	277,190
Total	937,666	213,524	1,151,190	1,006,289

All expenditure in 2018 was unrestricted.

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs £	Support costs £	2019 £	2018 £
Day therapy	316,258	104,255	420,513	442,005
Education	171,355	56,488	227,843	211,396
Hospice at home	765,658	252,400	1,018,058	1,108,552
Hudson Centre	306,751	101,121	407,872	414,903
In patient unit	1,748,504	576,396	2,324,900	2,537,620
Nurse led beds	713,296	235,139	948,435	172,869
Lymphoedema	240,143	79,163	319,306	369,173
Patient and family support team	177,570	58,536	236,106	268,114
Specialist palliative care team	457,654	150,866	608,520	562,692
Nursing technology fund	-	-	-	42,378
Cancer nursing support	23,970	7,902	31,872	-
Complementary therapy	10,920	3,600	14,520	36,512
Equipment	11,638	3,837	15,475	13,040
Voluntary services	54,864	18,086	72,950	79,362
Dementia project admiral nurse	31,618	10,423	42,041	-
Total	5,030,199	1,658,212	6,688,411	6,258,616

Of the total expenditure incurred in the year ended 31 March 2018, £4,119,469 was attributable to restricted funds and £2,139,147 was attributable to unrestricted funds.

ARTHUR RANK HOSPICE CHARITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. SUPPORT AND GOVERNANCE COSTS

Support and governance costs have been allocated to activities first in accordance with the sum that has been agreed as reclaimable under the grant agreement. The remaining cost has been allocated in proportion to the direct costs.

	Staff Costs	Rent	Other	Loan financing	2019	2018
	£	£	£	£	£	£
Facilities:						
Estates and catering	257,545	-	319,465	-	577,010	560,206
Central costs	368,428	16,639	116,059	123,323	624,449	712,056
Finance	153,782	-	10,880	-	164,662	186,096
Human resources	100,516	-	38,744	-	139,260	144,843
IT	-	-	205,230	-	205,230	235,298
Public relations	56,377	-	33,364	-	89,741	55,876
Governance	49,419	-	21,965	-	71,384	88,356
Total	<u>986,067</u>	<u>16,639</u>	<u>745,707</u>	<u>123,323</u>	<u>1,871,736</u>	<u>1,982,731</u>

10. EXPENDITURE BY TYPE

	Charitable direct costs	Fundraising direct costs	Support costs	2019	2018
	£	£	£	£	£
Staff costs	3,960,372	555,130	986,067	5,501,569	4,916,404
Leases and rent	41,359	99,446	16,639	157,444	120,452
Depreciation	10,309	6,967	478,042	495,318	511,655
Loan financing costs	-	-	123,323	123,323	130,084
Other	1,018,159	276,123	267,665	1,561,947	1,586,310
Total	<u>5,030,199</u>	<u>937,666</u>	<u>1,871,736</u>	<u>7,839,601</u>	<u>7,264,905</u>

11. NET INCOME FROM TRADING ACTIVITIES OF THE SUBSIDIARIES

The charity has one active wholly owned subsidiary which is incorporated in the UK. Arthur Rank Hospice Limited operates the fundraising trading arm of Arthur Rank Hospice Charity through the operation of charity shops and other trading activities. ARHC Property Limited had been established to provide design and build services to the charity but ceased trading by the 31 March 2018, had no transactions after this date and was officially dissolved on the 3 July 2018. Arthur Rank Hospice Limited covenants its taxable profits to Arthur Rank Hospice Charity. A summary of the companies' results is shown below. Their accounts will be filed with the Registrar of Companies.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

ARTHUR RANK HOSPICE LIMITED

	2019 £	2018 £
PROFIT AND LOSS ACCOUNT		
Turnover	258,314	726,747
Cost of sales	(82,740)	(58,675)
	<hr/>	<hr/>
Gross profit	175,574	668,072
Administrative expenses	(12,420)	(230,518)
	<hr/>	<hr/>
Profit before covenant	163,154	437,554
Amount covenanted to Arthur Rank Hospice Charity	(163,154)	(424,503)
	<hr/>	<hr/>
Profit on ordinary activities before interest		13,051
Interest receivable and similar income	-	28
	<hr/>	<hr/>
Profit for the financial year	-	13,079
	<hr/> <hr/>	<hr/> <hr/>

ARHC PROPERTY LIMITED

	2019 £	2018 £
PROFIT AND LOSS ACCOUNT		
Turnover	-	5,233
Cost of sales	-	-
	<hr/>	<hr/>
Gross profit		5,233
Administrative expenses	-	(3,742)
	<hr/>	<hr/>
Profit before covenant		1,491
Amount covenanted to Arthur Rank Hospice Charity	-	(1,492)
	<hr/>	<hr/>
Profit for the financial year	-	(1)
	<hr/> <hr/>	<hr/> <hr/>

ARTHUR RANK HOSPICE CHARITY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
ARTHUR RANK HOSPICE LIMITED BALANCE SHEET		
Tangible fixed assets	-	24,926
Current assets	103,082	165,764
Current liabilities	(58,954)	(146,562)
	<hr/>	<hr/>
Aggregate Share Capital & Reserves	44,128	44,128
	<hr/> <hr/>	<hr/> <hr/>

ARTHUR RANK HOSPICE CHARITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. STAFF COSTS

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	4,637,644	4,147,886
Social security costs	383,278	347,856
Other pension costs	488,359	426,066
	5,509,281	4,921,808

The average number of persons employed by the company during the year was as follows:

	2019	2018
	No.	No.
ARHC - Clinical services	134	82
ARHC - Fundraising and communications	18	12
ARHC - Support and governance	35	32
ARHC - Bank staff	17	36
ARHC - Retail	14	-
Arthur Rank Hospice Limited	-	8
	218	170

Average headcount expressed as a full time equivalent:

	2019	2018
	No.	No.
ARHC - Clinical services	99	109
ARHC - Fundraising and communications	14	16
ARHC - Support and governance	31	35
ARHC - Bank staff	22	5
ARHC - Retail	10	0
Arthur Rank Hospice Limited	0	12
	176	177

The number of higher paid employees (based on actual salary paid) was:

	2019	2018
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	3
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	0

The key management personnel of the charity and the group comprise the trustees and the senior leadership team being the CEO, the Deputy CEO/Director of Clinical Services, the Finance Director, the

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**NOTES TO THE FINANCIAL STATEMENTS
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12. STAFF COSTS (continued)

Medical Director, Director of HR and the Director of Fundraising and Communications. The total employment costs including salaries, employer pension contributions and employers' national insurance of key management personnel were £381,861 (2018 - £435,331).

During the year no trustee (a) was paid or received any other benefits from employment; (b) was reimbursed expenses; or (c) received payment for professional or other services (2018 - £Nil).

13. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	495,318	511,655
Auditors' remuneration - audit	15,230	13,235
Auditors' remuneration - other services	29,423	33,278
	<u> </u>	<u> </u>

14. TANGIBLE FIXED ASSETS

GROUP	Freehold property £	Leasehold property £	Fixtures, equipment & artwork £	Total £
COST				
At 1 April 2018	11,191,518	120,000	667,395	11,978,913
Additions	1,638	-	224,617	226,255
Disposals	-	-	(6,885)	(6,885)
	<u>11,193,156</u>	<u>120,000</u>	<u>885,127</u>	<u>12,198,283</u>
At 31 March 2019				
DEPRECIATION				
At 1 April 2018	531,262	1,700	200,027	732,989
Charge for the year	375,759	1,200	118,359	495,318
On disposals	-	-	(5,184)	(5,184)
	<u>907,021</u>	<u>2,900</u>	<u>313,202</u>	<u>1,223,123</u>
At 31 March 2019				
NET BOOK VALUE				
At 31 March 2019	<u>10,286,135</u>	<u>117,100</u>	<u>571,925</u>	<u>10,975,160</u>
At 31 March 2018	<u>10,660,256</u>	<u>118,300</u>	<u>467,368</u>	<u>11,245,924</u>

ARTHUR RANK HOSPICE CHARITY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

COMPANY	Freehold property £	Leasehold property £	Fixtures, equipment & artwork £	Total £
COST				
At 1 April 2018	11,848,823	120,000	615,876	12,584,699
Additions	1,638	-	224,617	226,255
Transfers intra group	-	-	51,519	51,519
Disposals	-	-	(6,885)	(6,885)
At 31 March 2019	11,850,461	120,000	885,127	12,855,588
DEPRECIATION				
At 1 April 2018	531,262	1,700	173,434	706,396
Charge for the year	375,759	1,200	118,359	495,318
Transfers intra group	-	-	26,593	26,593
On disposals	-	-	(5,184)	(5,184)
At 31 March 2019	907,021	2,900	313,202	1,223,123
NET BOOK VALUE				
At 31 March 2019	10,943,440	117,100	571,925	11,632,465
At 31 March 2018	11,317,561	118,300	442,442	11,878,303

The cost of the freehold property in the Company only and Group differ by £657,305. Arthur Rank Hospice Charity Property Limited carried out the construction work on the hospice and the costs were re-charged to ARHC with a transfer pricing mark up of this amount which is eliminated on consolidation in arriving at the Group figures.

15. FIXED ASSET INVESTMENTS

COMPANY	Shares in group undertakings £
MARKET VALUE	
At 1 April 2018	10,001
Disposals	(1)
At 31 March 2019	10,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

15. FIXED ASSET INVESTMENTS (continued)

COMPANY INVESTMENTS AT MARKET VALUE COMPRISE:

	2019	2018
	£	£
Group	10,000	10,001

One subsidiary, ARHC Property Limited was officially dissolved on the 3 July 2018. The Company investment comprises of the investment in the subsidiary at cost.

16. STOCKS

	GROUP		COMPANY	
	2019	2018	2019	2018
	£	£	£	£
Finished goods and goods for resale	9,665	12,887	814	1,868

17. DEBTORS

	GROUP		COMPANY	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	25,031	12,326	14,715	3,099
Amounts owed by group undertakings	-	-	28,848	126,139
VAT recoverable	27,201	54,447	31,572	54,447
Other debtors	217,959	121,761	216,252	67,821
Prepayments and accrued income	127,340	95,562	127,058	72,641
Tax recoverable	6,766	13,525	6,766	13,525
Legacies receivable	440,150	23,981	440,150	23,981
	844,447	321,602	865,361	361,653

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	2019	2018	2019	2018
	£	£	£	£
Other loans	115,646	116,571	115,646	116,571
Trade creditors	253,181	148,532	251,589	147,607
Other taxation and social security	99,090	97,378	99,090	93,022
Other creditors	294,991	248,022	291,153	242,972
Accruals	28,897	22,185	8,586	12,093
	791,805	632,688	766,064	612,265

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		COMPANY	
	2019	2018	2019	2018
	£	£	£	£
Other loans	3,600,000	3,680,000	3,600,000	3,680,000

Included within the above are amounts falling due as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
	£	£	£	£
BETWEEN ONE AND TWO YEARS				
Other loans	160,000	80,000	160,000	80,000
BETWEEN TWO AND FIVE YEARS				
Other loans	480,000	480,000	480,000	480,000
OVER FIVE YEARS				
Other loans	2,960,000	3,120,000	2,960,000	3,120,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
	£	£	£	£
Repayable by instalments	2,960,000	3,120,000	2,960,000	3,120,000

The above loan is with Cambridgeshire County Council and is secured on the leasehold property at Caius Farm, Babraham Road, Cambridge. The loan is repayable over 25 years with interest being charged at 3.34%.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

20. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
DESIGNATED FUNDS					
Hospice Fund	7,449,353	-	-	(189,840)	7,259,513
GENERAL FUNDS					
General Funds	1,090,958	3,557,732	(3,477,131)	246,251	1,417,810
Subsidiary Undertakings	34,127	258,315	(258,314)	-	34,128
	1,125,085	3,816,047	(3,735,445)	246,251	1,451,938
Total Unrestricted funds	8,574,438	3,816,047	(3,735,445)	56,411	8,711,451
RESTRICTED FUNDS					
Grant to deliver end of life care	-	3,664,616	(3,804,902)	140,286	-
Hospice at Home	24,778	104,467	(125,156)	-	4,089
Alan Hudson Centre	241,174	256,835	(54,130)	(196,697)	247,182
Arthur's Shed	-	21,536	(11,064)	-	10,472
Education	-	12,800	(1,916)	-	10,884
Equipment	3,775	27,675	(11,638)	-	19,812
Other Restricted Funds	52,747	46,806	(95,350)	-	4,203
	322,474	4,134,735	(4,104,156)	(56,411)	296,642
Total of funds	8,896,912	7,950,782	(7,839,601)	-	9,008,093

Purpose of funds

Designated hospice fund

A designated Hospice Fund was originally established with the view of securing the long term provision of hospice services in the region. The trustees are happy that this has now become a reality and that the funds here, built up over the course of many years, have now been utilised in bringing about the new hospice at Shelford Bottom, as reference in the trustees' report. The closing balance represents the value of the hospice less the loan taken out to complete the build.

Grant to deliver end of life care

These funds are those received from the NHS to deliver end of life care and fund the services as agreed in the grant agreement. The transfer represents expenditure in excess of the grant received borne from unrestricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

20. STATEMENT OF FUNDS (continued)

Hospice at Home

Donations continue to be received specifically for the Hospice at Home service. A pilot project to expand the services in the Fenland area has continued this year. Additional grant funding has also been received to expand the daytime service in the Cambridge area too.

Alan Hudson Centre

These funds comprise of donations made specifically for use at the Alan Hudson Centre in Wisbech which is managed by the charity. Expenditure made from this fund all relates to the delivery of care at the Alan Hudson Centre. Additional funding has been received this year which has been used to redevelop the centre to provide a larger and improved space for patients. This has helped us develop our service to meet the needs of the patients in the Wisbech area which is in line with our objectives

Arthur's Shed

These donations have been made to fund the set up and continuation of a volunteer-led activity programme held in Arthur's shed in the grounds of the Hospice. It is a space for the wider community and people connected to the Hospice to be able to come together in a safe, warm and friendly venue. The space is used for people to connect with others and join in with various activities. The development of the sessions provided in Arthur's Shed have enabled the Charity to achieve our objective of broadening our reach to ensure we are meeting the needs of all who would want to benefit from our care and create greater equity of services.

Education

Donations have been received and used throughout the year to fund staff training and education.

Equipment

Donations have been received and used throughout the year for the purchase of equipment and furniture for the hospice.

Other

This represents various funds with a balance of below £2,000 which have been received and used for specific projects.

Relevant for 2018 funds

Nursing Technology Fund

In December 2015 the charity was awarded £160,120 by the Nursing Technology Fund (under the Department of Health) to ensure that the charity's community staff are able to work away from the office and update patient records using mobile devices. Laptops and mobile phones have been deployed to all staff in the hospice at home and specialist palliative care teams and all staff have been trained in updating records off-site and have realised time savings from this new way of working. We continue to employ a staff member to look after and train staff (new and existing) in the software that enables mobile working across the organisation and the fund has been used this year to fund this staff member, and any further mobile devices.

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FOR THE YEAR ENDED 31 MARCH 2019**

20. STATEMENT OF FUNDS (continued)

Cancer nursing support

These funds were transferred to the charity from Cambridge Community Trust (CCS) on 1 August 2015. The funds related to a cancer pilot project that was undertaken by CCS and was continued for the initial year by the staff now employed by the charity. It has been decided to use the residual funds to support our charitable work within the Patient and family support team.

Dementia Project

Donations have been received to fund an Admiral nurse post specialising in Dementia care. The nurse will carry a very small case load of complex patients with dementia, but their main focus will be acting as an expert in dementia resource to assist our staff in caring for patients with dementia. This will also include educating current hospice staff and the wider community. The post will be filled in the next financial year.

Day Therapy

There funds comprise of donations to fund creative therapies to day therapy patients.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2017 £	Income As restated £	Expenditure As restated £	Transfers in/out £	Balance at 31 March 2018 £
DESIGNATED FUNDS					
Hospice Fund	7,736,273	-	-	(286,920)	7,449,353
GENERAL FUNDS					
General Funds	1,875,760	1,577,633	(2,549,454)	187,019	1,090,958
Subsidiary Undertakings	21,045	732,010	(718,928)	-	34,127
	1,896,805	2,309,643	(3,268,382)	187,019	1,125,085
Total Unrestricted funds	9,633,078	2,309,643	(3,268,382)	(99,901)	8,574,438

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**NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

Grant to deliver end of life care	-	3,600,923	(3,828,584)	227,661	-
Hospice at Home	396	54,400	(30,018)	-	24,778
New Hospice Build	-	127,760	-	(127,760)	-
Alan Hudson Centre	216,964	72,918	(48,708)	-	241,174
Nursing Technology Fund	30,140	-	(30,140)	-	-
Cancer Nursing Support	23,970	-	-	-	23,970
Day Therapy	36,858	-	(25,968)	-	10,890
Equipment	-	13,050	(9,275)	-	3,775
Dementia Project	-	10,000	-	-	10,000
Other Restricted Funds	8,507	23,210	(23,830)	-	7,887
	<u>316,835</u>	<u>3,902,261</u>	<u>(3,996,523)</u>	<u>99,901</u>	<u>322,474</u>
Total of funds	<u>9,949,913</u>	<u>6,211,904</u>	<u>(7,264,905)</u>	<u>-</u>	<u>8,896,912</u>

The prior year income and expenditure has been restated for a fund which was previously classified as restricted being reclassified to unrestricted.

CHARITY ONLY FUNDS - CURRENT YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
Restricted funds	322,474	4,134,735	(4,104,156)	(56,411)	296,642
Unrestricted funds	9,197,622	3,557,732	(3,477,131)	56,411	9,334,634
Total	<u>9,520,096</u>	<u>7,692,467</u>	<u>(7,581,287)</u>	<u>-</u>	<u>9,631,276</u>

CHARITY ONLY FUNDS - PRIOR YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Restricted funds	316,836	3,919,997	(4,119,469)	205,111	322,475
Unrestricted funds	10,269,337	1,997,894	(2,864,501)	(205,111)	9,197,619
Total	<u>10,586,173</u>	<u>5,917,891</u>	<u>(6,983,970)</u>	<u>-</u>	<u>9,520,094</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	10,975,160	10,975,160
Current assets	296,642	2,128,096	2,424,738
Creditors due within one year	-	(791,805)	(791,805)
Creditors due in more than one year	-	(3,600,000)	(3,600,000)
	<u>296,642</u>	<u>8,711,451</u>	<u>9,008,093</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	11,245,924	11,245,924
Current assets	322,474	1,641,202	1,963,676
Creditors due within one year	-	(632,688)	(632,688)
Creditors due in more than one year	-	(3,680,000)	(3,680,000)
	<u>322,474</u>	<u>8,574,438</u>	<u>8,896,912</u>

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	GROUP 2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	111,181	(1,053,001)
Adjustment for:		
Depreciation charges	495,318	511,655
Loss on the sale of fixed assets	1,701	-
Decrease/(increase) in stocks	3,222	(6,872)
(Increase)/decrease in debtors	(527,216)	490,244
Increase/(decrease) in creditors	164,411	(75,772)
Net cash provided by/(used in) operating activities	<u>248,617</u>	<u>(133,746)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	GROUP	
	2019	2018
	£	£
Cash in hand	1,570,626	1,629,187
Total	1,570,626	1,629,187

24. PENSION COMMITMENTS

The Group has operated a Defined Contribution pension scheme for many years. At 31 March 2019 99 (31 March 2018: 81) employees were members of this scheme, to which the charity contributed 5% of their salaries. The assets of the scheme are held separately from those of the group in an independently administered fund.

The charity also contributes to the NHS Defined Benefit pension scheme for those employees who are entitled to membership (i.e. those who were members within a year before joining the charity). At 31 March 2019, 118 (31 March 2018: 107) employees were members of this scheme, to which the charity contributed 14.38% of their salaries. This scheme also provides death in service and other benefits.

The pension cost charge represents contributions payable by the group to these funds and amounted to £488,359 (2018: £426,066). An amount of £61,215 (2018: £57,159) was outstanding at the year end.

25. OPERATING LEASE COMMITMENTS

At 31 March 2019 the total of the group's future minimum lease payments under non-cancellable operating leases was:

GROUP	2019	2018
	£	£
AMOUNTS PAYABLE:		
Within 1 year	102,618	102,020
Between 1 and 5 years	270,338	291,439
After more than 5 years	120,750	201,500
Total	493,706	594,959

ARTHUR RANK HOSPICE CHARITY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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26. RELATED PARTY TRANSACTIONS

ARHC Property Limited, a wholly owned subsidiary of Arthur Rank Hospice Charity, provided design and build services totalling £nil (2018: £5,233) in the period and has made a gift aid payment of its taxable profits of £nil (2018: £1,492) to the charity. ARHC Property was dissolved on 3 July 2018.

Arthur Rank Hospice Limited is a wholly owned subsidiary of Arthur Rank Hospice Charity. During the period, the Charity charged a management fee of £64,177 (2018: £12,000) to this company. The company has made a gift aid payment of its taxable profits of £101,977 (2018: £424,503) to the Charity. The company also collects sums on behalf of the Charity during the year. At 31 March 2019, the company owed £28,848 (2018: £126,139) to the charity.

During the year, the Charity received unrestricted donations of £2,838 from individual trustees (2018: £4,017).

27. CONTROLLING PARTY

The Charity is under the control of its trustees who are listed on page 15 of the financial statements.