



**Annual report and consolidated financial statements
for the year ended 31 December 2021**

Jersey Hospice Care
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Year ended 31 December 2021

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Chair's Report

Little did I realise when writing my introduction for our 2020 Annual report that, one year on, many of the same challenges that the pandemic unleashed on us that year have continued throughout 2021. That we have kept Hospice open through both years is a huge testament to our amazing team, working hands-on in Care and equally tirelessly behind the scenes. Our thanks go to all our staff and also our volunteers who started coming back into roles during 2021, continuing to add value to everything we do. On behalf of the Council of Trustees, a very big thank you to all.

The continuation of the pandemic has also meant that 2021 resulted in another significant financial deficit. Our supporters have continued to be very generous, but Covid has once again stopped us carrying out all our usual events and fundraising activities, and our shops were again closed for part of the year. Our historical reserves and prudent financial management provide some comfort but we know that deficits cannot continue indefinitely. We have a plan to return to a balanced budget over the next 3 years, through management of costs and focus on income growth.

To that end we were delighted to welcome our new Chief Executive, Mike Palfreman, to the island in July 2021. Mike comes with a solid financial and charity sector background, having most recently spent 10 years as Chief Executive of Haven House Children's Hospice in North East London. He has certainly hit the ground running and has already impressed us with his skills and expertise, not to mention his energy and enthusiasm!

Our strategic priorities for 2022 remain the same. The increasing numbers and complexity of our ageing demographic in Jersey mean that demand for palliative care services will continue to grow and we have to prepare for more Islanders living longer. Hospice will be working with Government and other organisations to ensure end of life services for all are as good as they possibly can be, and we look forward to seeing this being driven forward under Mike's leadership.

On a final note, we operate a rotation policy at Hospice to ensure our Council is regularly refreshed. This does mean that I have reached the end of my term and, following an extensive search and selection process for the right successor, I will be handing over to a new Chair in April. Jersey Hospice Care started in 1982, making 2022 the 40th Anniversary. How things have changed over those years. My term of office forms a small part of that history but for me personally, it has been an important part of my life and I feel honoured and privileged to have led the Council of Trustees. Dying is an important part of the circle of life and it has been a humbling experience to be part of this wonderful Charity.

Julie Coward
Chair of Trustees
18 March 2022



Chief Executive's Report

I was delighted to join Jersey Hospice Care as Chief Executive last July. I was greeted warmly by people right across the island and was immediately impressed by the strength of feeling of so many Jersey people for Hospice and the work we do. That early perception has been borne out even more strongly over the last few months as I have come to see the quality of the work we do first-hand and the difference Hospice makes to the lives of so many. I join Julie our Chair in paying tribute to our amazing staff and volunteers who have put so much energy and commitment into providing this critical support throughout the most challenging times I can remember.

At Hospice we have been working to four strategic priorities – clinical excellence, financial sustainability and organisational safety and efficiency, our people and the development of services for children and young people. In spite of Covid, we have continued to make significant progress and achievements under each of these headings and these are set out in more detail in the following pages.

The needs of both adults and children with life-limiting conditions, and their families, are significant and growing and I am delighted that we are working closely with Jersey's Government, and Health and Community Services in particular, on the Jersey Care Model. As an essential element of this model, our aim is to agree and implement a comprehensive end-of-life strategy for Jersey that will provide the best possible support for all islanders and their families as and when they approach this emotionally challenging time.

I am excited at what we can and need to achieve here and look forward to working with colleagues at Hospice and our partners on island to make even more of a difference to the lives of many more patients and families into 2022 and beyond.

Mike Palfreman
Chief Executive
18 March 2022

The Trustees present their report and the audited financial statements for the year ended 31 December 2021. The financial statements comply with current statutory requirements, the Constitution of Jersey Hospice Care and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Reference & administrative details

- Incorporation:** Jersey Hospice Care is a charitable Association incorporated under the Loi (1862) sur les teneures en fideicommiss et l’incorporation d’associations (as amended).
- There are also three wholly owned subsidiary trading companies within the group: Feature Limited (company number 67663), which owns property occupied by the Association’s fundraising shop, was incorporated on 26 February 1997.
- Jersey Hospice Care Fundraising Limited (company number 101977) and Jersey Hospice Care Retail Limited (company number 101976) were incorporated on 16 October 2008. These companies took over the responsibility for the Association’s fundraising and retail activities respectively from 1 January 2010. On 15 January 2019 the Council of Trustees agreed to transfer the fundraising activities to Jersey Hospice Care, but to retain Jersey Hospice Care Fundraising Limited for the purpose of the regular donations which are paid into its bank account.
- Registrations:** As an incorporated charity (not for profit organisation) Jersey Hospice Care is registered with the Jersey Financial Services Commission and is a member of the Association of Jersey Charities (number 075). Jersey Hospice Care is registered with the Jersey Charity Commissioner under the regulatory arrangements of the Charities (Jersey) Law 2014 (number 30).
- Council:** Jersey Hospice Care is governed by a Council. The Trustees during the year ending 31 December 2021 and up to the date of signing this report were:
- | | |
|-------------------|----------------------------|
| Julie Coward | Chair |
| Tim Crowley | Honorary Secretary |
| Mark James | Honorary Treasurer |
| Trevor Falle | |
| Goetz Eggelhoefer | (appointed 15 March 2022) |
| Adrian Gordon | |
| Paul Hughes | (resigned 7 December 2021) |
| Tarina Le Duc | (appointed 15 March 2022) |
| Colin Macleod | |
| Emma Martins | (appointed 15 March 2022) |
| Ian Shepherd | |
- Executive Directors:**
- | | |
|------------------|--|
| Mike Palfreman | Chief Executive (appointed 21 July 2021) |
| Gail Caddell | Director of Clinical Strategy (Acting Chief Executive to 21 July 2021) |
| Yannick Fillieul | Director of Operations and Business Development |
| Katrina Hancock | Director of Income Generation (resigned 1 September 2021) |
| Hilary Hopkins | Director of Palliative Care Services |
| Debbie Patrick | Director of People (appointed 5 August 2021) |
| Rachael Smith | Director of Finance (appointed 5 August 2021) |
| Amy Taylor | Director of Finance (resigned 20 February 2021) |

Jersey Hospice Care
Annual report of the Trustees
Year ended 31 December 2021

Patron:	Sir Michael Birt		
Vice-patrons:	Mrs J Brown, Advocate J Clyde-Smith, Mrs A Dangerfield MBE, Ms N Dinshaw, Mr D East, Jurat Dr D Georgelin, Mr D C Norman, Lady Oppenheimer, Mrs B Waites, Mrs J Werrin BEM, Advocate M J Thompson, Mrs D Weber, Dr G Purcell-Jones MBE, Mr I Richardson, Mrs S Baker.		
Principal Address:	Le Mont Cochon St Helier Jersey JE2 3JB		
Bankers:	NatWest International 16 Library Place St Helier Jersey JE4 8NH	Lloyds Bank International 9 Broad Street St. Helier Jersey JE4 8NG	Santander International 13-15 Charing Cross St Helier Jersey JE2 3RP
	Skipton International Limited Tudor House The Bordage St Peter Port Guernsey GY1 6DS	Butterfield Bank (Jersey) Limited St Paul's Gate New St St Helier Jersey JE4 5PU	
Investment Managers:	UBS AG London 5 Broadgate London EC2M 2QS	Rathbone Investment Management International Limited 26 Esplanade St Helier Jersey JE1 2RB	
Legal Advisors:	Viberts Viberts House Don Street St. Helier Jersey JE4 8ZQ	BCR Law 12 Hill Street St Helier Jersey JE2 4UA	Ingram Advocates Bourne House Francis Street St Helier Jersey JE2 4QE
Independent Auditors:	PKF BBA Audit and Assurance Limited Beachside Business Centre Rue du Hocq St. Clement Jersey JE2 6LF		

Our vision

Jersey Hospice Care's vision is to provide dignity and choice for those living with dying.

Our mission

Jersey Hospice Care is committed to transforming and delivering outstanding palliative care for our community.

Our objectives

The objects of the Constitution of Jersey Hospice Care are:

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

Our Values



be COLLABORATIVE

We work together as one team

be AUTHENTIC

We are what we say and do

be RESPONSIBLE

We take ownership

be EXCELLENT

We strive to excel in everything we do

Principal activities

Jersey Hospice Care is Jersey's only Hospice and the largest independent charitable provider of healthcare services in the Channel Islands. Irrespective of age or diagnosis, we deliver a multidisciplinary, holistic approach to the care of children, young people and adults with life-limiting and life-threatening conditions, working alongside existing service providers, providing a collaborative approach to patient care.

Jersey Hospice Care is about choice. We believe that everyone deserves to be treated with respect, to die pain free, with dignity and in a place of their choosing. Our vision is that everybody in our community with a life-limiting condition should have access to the highest standard of palliative care, and that it should always be free and available to anybody who needs it, regardless of diagnosis.

We recognise and respect that each person is unique and our individualised approach to care aims to help them to make the most of what time is left, and ultimately, to help each person live life to the full.

Jersey Hospice Care fulfils its purpose through its principal activity of providing palliative and supportive care to islanders through the following services:

- Adult in-patient palliative medical and nursing care in a twelve-bed unit;
- Adult outpatient palliative and supportive care (including therapies) in the King Centre (this service was suspended in March 2020 and has not yet re-opened);
- Adult community nursing team that provides palliative care in the home, hospital and other community settings;
- Bereavement services for all Jersey residents including family support services; and
- Outreach services to Children and Young People (CYP) through a dedicated team offering support at home or in hospital, as well as providing one to one and group sessions in the King Centre.

All of these services are provided free of charge to patients and their loved ones in order to ensure that they are accessible for all and are provided where and when and for however long they are needed.

Public benefit statement

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



Our 40 year history

In 2022, Jersey Hospice Care will be celebrating its 40th birthday. From supporting some 85 patients when we began in 1982, in recent years we have supported over 1,000 people each year.



Achievements & performance

Council and the Executive Team identified four key strategic priorities going in to 2021:

1. **Clinical excellence** is always at the core of our thinking. Now is the time to build on our engagement with other stakeholders to ensure the quality of palliative care across the Island and in all care settings, and increase active collaboration.
2. **Financial sustainability & organisational safety & efficiency** is vital to the delivery of the core services and is a key focus for all aspects of the organisation. There is an absolute need to comprehensively review our cost base, improve efficiency and increase sustainable funding to reduce the operating deficit. We also need to embed a safe governance framework working within the boundaries of our regulators and build a robust performance reporting structure in order to scrutinise the costs and benefits of the services we offer.
3. **People and people-infrastructure development** will ensure we have the right people doing the right job at the right level. We need to ensure we not only look after our patients and their families but also our employees and volunteers especially during these more challenging times. To this end, wellbeing will be a major focus for us over the next year alongside ongoing professional development.
4. **Development of children and young peoples' (CYP) services** will provide the final vital component to ensure all islanders irrespective of diagnosis and age are supported by Jersey Hospice Care. We are planning an extension of services including the potential for a bespoke unit for children and young people which will revolutionise care for these individuals and their families. To fully understand the need, we are engaging with all stakeholders, including children, young people and their families.

The strategic objectives are set at a high level, while detailed actions including targets and KPIs are set out within the operational plans for each of the functional areas – Clinical Services, Fundraising, Retail, Finance, People, Education, Governance, IT and Support Services.

Each member of the Executive Team has direct responsibility for the management and achievement of their respective operational plans. Reporting on progress against key performance indicators is reviewed formally with Council on a quarterly basis.

During 2021 our key achievements against the strategic objectives were:

1. **Clinical excellence**

- Despite the continued challenges brought by COVID, we provided care to 978 islanders during 2021 through our Specialist Palliative Care Team working in the community, in our 12 bed in-patient unit and through our community bereavement and emotional support service, who provided 1,606 sessions in 2021.
- We continued to provide specialist advice, education and support to other professionals in palliative and end of life care, despite the impact of the pandemic.
- We reached out to our community and convened the End Of Life Care (“EOLC”) Partnership Group with key stakeholders across the island and completed the first draft of the full EOLC strategy.
- We had three successful Jersey Care Commission inspections across clinical services with no recommendations for improvement.

- In partnership with Macmillan Jersey, we appointed a Complementary Therapist specialising in Foot and Hand Reflexology, Reiki and Emotional Support, to help improve the health and well-being of our patients either on the in patient unit or in the community.
- We engaged in the development of the Jersey Care Model in partnership with Health and Community Services and have taken the lead on the development of the end of life strand.

2. Financial sustainability & organisational safety & efficiency

- We agreed a retail strategy which includes 6 day opening of our St Ouen Store (commenced in January 2022) and a second out of town large retail store (planning application submitted Dec 2021).
- We completed a review of fundraising opportunities and recruited a new Head of Fundraising and Communications who joined us in January 2022.
- Our operational and capital expenditure was within budget for 2021 which enabled a clear and realistic forecast funding position to feed into the 2022 budget process and three-year financial plan.
- We delivered key capital projects, including the new driveway wall, all of which were within budget.
- We implemented a risk management system (RHIZA) and risk reporting framework.
- We embedded the Fire Policy and associated building controls and met all fire policy requirements including positive independent fire audits.
- We completed the first part of our Microsoft 365 implementation, supporting flexible and home working and improving the resilience and security of our systems and data.

3. People and people-infrastructure development

- We worked hard to maintain and support staff wellbeing throughout COVID.
- We continued to recruit staff during the pandemic, we implemented clinical development programmes to 'Grow our Own', and we internally trained and inducted new joiners with no previous healthcare experience into healthcare care roles.
- We continued to develop and embed the culture pathway and CARE values throughout the organisation.
- We established a Remuneration Committee who met twice during 2021 to determine a fair pay approach for employees. This included external benchmarking and a review of pay and benefits against other organisations, including the Government of Jersey.
- We drafted, adopted and implemented a safer recruitment policy and other key HR policies.
- We implemented a social media strategy with a new policy adopted and templates in place to ensure brand unification across all platforms.
- We developed a Fundraising Charter which we shared throughout the organisation including with our volunteers and community fundraisers.
- We rolled out our first core skills training programme developed for volunteers.
- Mandatory core training continued to be delivered against all the challenges through COVID.

4. Development of children and young people services

- We recruited a Lead Nurse to lead the CYP service.
- We supported 14 children and young people by providing 363 respite, emotional support and play therapy sessions in 2021.
- We installed a new purpose-built sensory room at Clarkson House to be used to calm and relax children and young people, and to promote sensory development.

Future activities

The Executive Team have agreed that the four key strategic priorities will remain the same throughout 2022 and will be achieved through the following objectives and actions both in 2022 and beyond:



1. Clinical excellence

Strategic objective	To achieve this objective we will...
To build a model of safe and continuously improving palliative care services	<ul style="list-style-type: none"> - continue to achieve positive Jersey Care Commission and Jersey Nursing Assessment and Accreditation System inspections with no recommendations for improvements - review, agree and meet KPIs and outcome measures for all services - strengthen expert clinical representation at both Council and Clinical Governance Committee - reflect and learn from incidents and continue to embed learning from mortality & morbidity meetings
To develop a model of "Hospice without walls"	<ul style="list-style-type: none"> - engage in the design of the Jersey Care Model (JCM), with leadership of the end-of-life strand
To secure positive collaborative relationships with other stakeholders	<ul style="list-style-type: none"> - review, identify and seek collaborative relationships with other stakeholders
To provide excellent training and education both to staff, volunteers and externally (<i>see also People below</i>)	<ul style="list-style-type: none"> - review our clinical education and training provision both internal and external - balance increased access to education for the community whilst ensuring that we cover our costs adequately

2. Financial sustainability & organisational safety & efficiency

Strategic objective	To achieve this objective we will...
To maximise income generation opportunities	<ul style="list-style-type: none"> - work with the Government of Jersey as part of the development of the JCM to seek long term funding - review, develop and implement strategies for each area of potential income growth - invest in fundraising and the team to enable us to achieve the targets set - achieve retail income growth through 6 day opening at St Ouen and wider marketing activities - continue to pursue a second out of town retail store - review wider income generation opportunities - maximise impact of communications through ensuring greater production and use of powerful impact and case studies - progress and deliver the new website - utilise and maximise impact of Hospice 40th anniversary celebrations

To operate as an efficient, competitive organisation that delivers quality and value for money	<ul style="list-style-type: none"> - review our costs, identify and implement savings initiatives, and continue to maintain close control of all expenditure thereafter - review contracts to ensure value for money - seek and maximise use of appropriate benchmarking data - research, select and implement a new finance system to maximise data flows and efficiencies between across finance, HR and fundraising
To agree and implement plans to regain a balanced budget by 2025	<ul style="list-style-type: none"> - further refine and implement a 3 year financial plan to eliminate the financial deficit
To develop robust governance structure to ensure safety and efficiency across the organisation	<ul style="list-style-type: none"> - finalise, implement and fully utilise our risk management system and risk reporting process - finalise, implement and fully utilise health & safety policies and procedures - develop and implement a digital strategy

3. People

Strategic objective	To achieve this objective we will...
To support our staff to ensure commitment, resilience and job satisfaction, and thus minimise staff turnover	<ul style="list-style-type: none"> - agree and implement a calendar of wellbeing activities - conduct staff and volunteer satisfaction surveys and ensure we respond to feedback - review all options to improve recruitment and retention - continue to review pay and benefits to ensure we are competitive
To build a team which is fit for the future (<i>link also to education and training objective above</i>)	<ul style="list-style-type: none"> - renew the drive to promote a “one team” culture - review our education and training provision, responding to individual, team and Hospice training needs reviews - continue to implement the culture pathway, including the roll out of line managers toolkit training
To build a people infrastructure that meets the current and future needs of Hospice and its people	<ul style="list-style-type: none"> - agree and implement a new, ambitious volunteer strategy - research and select a new HR database and system to streamline activities and achieve efficiencies

4. Development of CYP services

Strategic objective	To achieve this objective we will...
To review in full and respond to the needs of life-limited children and young people on Jersey	<ul style="list-style-type: none"> - complete a comprehensive needs assessment - plan Hospice’s services to respond to the above needs (including a firm decision on a new building) - further develop relationships with prospective major donors who have expressed interest in supporting services for children and young people
To review the potential for collaboration with government and other providers	<ul style="list-style-type: none"> - fully consult with all appropriate external providers to ensure our future CYP plans are based on a full understanding of needs
To develop and grow the CYP team as appropriate, in line with rising demand	<ul style="list-style-type: none"> - agree a 3-4 year plan and resourcing of CYP team based on the above needs assessment

Structure, governance and management

The consolidated financial statements following this report comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet and the Consolidated Statement of Cashflows and related notes, which include the results of the trading companies Jersey Hospice Care Fundraising Limited and Jersey Hospice Care Retail Limited and the property holding company Feature Limited.

Trustees

The Trustees who served during the year and up to the date of this report are set out on page 5 of this report.

Given the extraordinary circumstances of the pandemic, the Council of Trustees met 12 times during 2021. The Council has established five sub-committees, each with its own terms of reference; the Asset Management Committee, Finance Governance Committee, Remuneration Committee, Clinical Governance Committee and Project Butterfly Committee. Any significant issues identified by these committees are reported to Council.

There is a Rotation Policy with Trustees appointed for three year terms and normally serving a maximum of two consecutive terms.

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

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

The Council regularly reviews its composition to ensure a proper balance of skills, experience and diversity. In addition, Board Effectiveness Surveys and Trustee appraisals are carried out regularly, which help focus priorities on strategic issues.

Day-to-day management

The Trustees delegate day-to-day responsibility to the Chief Executive, who in turn delegates some leadership functions to the Executive and Senior Leadership Teams. The scheme of delegation is maintained and updated regularly.

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

Staff

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

In 2021 the Charity employed an average of 106 staff (plus approximately 10 people on a 'bank' basis) to deliver the range of professional disciplines needed to provide quality care services for our patients and their families and to meet statutory and best practice requirements.

The work the Charity does is hugely demanding on our staff. To ensure that they are well-supported, the Charity has developed a well-being programme and has ensured that staff have access to a range of benefits in their reward package.

In 2019 and 2020 the Executive and Senior Leadership Teams collaboratively developed the organisation's culture pathway. The CARE values set out on page 7 were defined and all employees were involved in identifying a set of enabling and derailing behaviours for each of the values. These have been embedded in the

organisation's people strategy including recruitment materials and performance reviews, and set out the shared values, attitudes and behaviours expected across the organisation to enable the delivery of the best possible service to patients and their families.

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

Volunteers

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



The Charity benefits from the unpaid work of over 350 volunteers, who ably support paid staff in various ways. Last year volunteers contributed 13,200 hours to retail, 2,000 hours to fundraising activities and events, 1,200 hours to reception and a further 5,300 hours to other services including maintaining our gardens, bereavement support, the inpatient unit and the kitchen.

In total, volunteers gave approximately 21,700 hours during 2021 (2020: 17,000 hours). This equates to 11 Full Time Equivalent staff. This is lower than in pre-COVID years, due to Government restrictions and guidelines, we have been unable to bring volunteers into Clarkson House and fundraising activities have been suspended however we are delighted to see numbers rising again.

Remuneration Policy

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

In 2021, salaries for all non-clinical roles were benchmarked against Government of Jersey roles and pay scales, comparable roles in other industries, and available local market data, which informed the Remuneration Committee in its decisions on pay approach for 2022.

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

Investment policy and returns

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

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

The investment strategy is overseen by the Asset Management Committee and seeks both income generation and long term capital growth targets. As part of the Financial Plan a portion of the Charity's resources has been designated into a separate investment fund which has a blended total return requirement to support the ongoing operations of the Charity.

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

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

The Trustees have appointed investment managers to manage the discretionary portfolios. In April 2021, the Council of Trustees agreed to alter the mandates for the investment portfolios to focus on ESG/ sustainable investing and the two portfolios were repositioned accordingly.

Financial review

The detailed figures for the year ended 31 December 2021 are set out in the consolidated financial statements that follow this Trustees' report.

Income

The Charity's principal funding sources are:

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

363
Number of respite, play therapy
and emotional support sessions
provided to children and young
people in 2021

Consolidated income for the year was £4,931,443 (2020: £5,106,474), a decrease of 3%. Legacy income is not predictable or linear and therefore following best practice in the sector is budgeted for over a rolling period.

Expenditure

Excluding lottery prizes, the overall expenditure for the year was £7,157,511 (2020: £7,169,034) of which 84% was spent on charitable activities. The remaining expenditure was on fundraising activities – retail (9%), income generation (6%) and investment costs (1%). Total expenditure was less than budgeted for the year by 12%.

Funds and Reserves Transfers

The Consolidated Statement of Financial Activities shows a net decrease in funds of £1,357,471 (2020: £1,575,278).

Council and the Executive Team are focussed on achieving financial sustainability, which is one of the four strategic priorities for 2022 and beyond. A financial plan is in place with the aim to achieve a balanced budget in 3 years.

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

At the end of the year £1,199,731 of the overall reserves (net assets) position is held in Restricted Funds. Further details on the restricted and unrestricted funds are shown in notes 19 and 20 of the financial statements.

Balance Sheet

Total net assets at 31 December 2021 are £30,690,213 (2020: £32,047,684) which includes group cash balances of £6,028,005 (2020: £8,542,987). Further details of the funds analysis can be found in notes 19 and 20 of the consolidated financial statements.

Reserves Policy

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

- To ensure that working capital is appropriately funded – the timing of receipts and payments can fluctuate and therefore the Trustees consider it prudent to maintain reserves to manage these fluctuations.
- To fund shortfalls in income (whether contractual, retail, lottery, donations, legacies or other fundraising activities) when it does not reach expected levels. The charity is predominantly dependent on fundraising and legacy income which is subject to fluctuation.
- To fund unexpected expenditure - This could be, for example, unexpected building maintenance costs (expected costs are built into annual budgets) and to provide a degree of flexibility for innovation; and
- To allow time to cover expenditure in the event of a significant change in circumstances – for example if retail operations were to be interrupted or the facility at Mont Cochon had to be closed temporarily. While the charity maintains good levels of business interruption insurance, it is still considered prudent to ensure that there are sufficient funds to manage any significant additional costs in the short term.

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

At 31 December 2021 the available reserves (excluding investment properties, fixed assets and restricted funds) were £12.0m, representing 20 months of 2022 budgeted operating costs (excluding the budgeted direct costs of prizes for fundraising, capital expenditure and depreciation).

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

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



405
Number of islanders supported
by our community bereavement
and emotional support team in
2021

Risk management

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Council has identified the following main areas of risk:

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

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

Responsibilities of the Trustees

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

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

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

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

The Trustees confirm that:

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

Going Concern

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

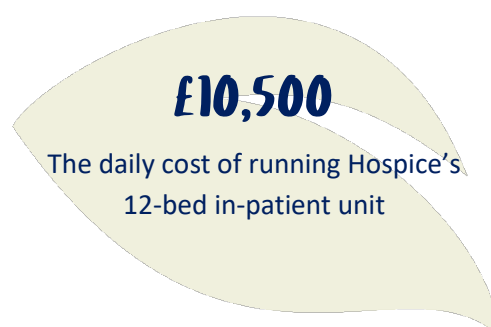
Auditors

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

This report was approved by the Council on 15 March 2022, and is signed as authorised on its behalf by:

J COWARD

Julie Coward
Chair of Trustees
18 March 2022



Independent auditor's report to the Council of Jersey Hospice Care for the year ended 31 December 2021

Opinion

We have audited the consolidated financial statements of Jersey Hospice Care (the 'Association') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Consolidated Statement of Cashflows and the Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 Association's affairs as at 31 December 2021 and of its incoming resources and application of those resources for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

Conclusions relating to going concern

In auditing the consolidated financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the consolidated financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections of this report.

Other information

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

have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Council

As explained more fully in the report of the trustees set out on page 19, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the Association through enquiry of management, review of Council minutes and regulatory correspondence, industry research and the application of cumulative audit knowledge. We identified the following principal laws and regulations relevant to the Association:

- Loi (1862) sur les teneures en fideicommiss et l'incorporation d'associations (as amended);
- Regulation of Care (Jersey) Law 2014;
- Charities (Jersey) Law 2014;
- Gambling (Jersey) Law 2012;
- Data Protection (Jersey) Law 2018; and

- the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) including the requirements of Charities SORP (FRS 102) (second edition – October 2019).

We developed an understanding of the key fraud risks to the Association (including how fraud might occur), the controls in place to help mitigate those risks, and the accounts, balances and disclosures within the consolidated financial statements which may be susceptible to management bias. Our understanding was obtained through review of the consolidated financial statements for accounting estimates, analysis of journal entries, walkthrough of the key control cycles in place and enquiry of management.

Our procedures to respond to those risks identified included, but were not limited to:

- Identifying and assessing the design of key controls implemented by management to prevent and detect fraud;
- Enquiry of management and those charged with governance;
- Sceptical analysis and challenge of the judgements made and documented by management and their consistency with applicable accounting standards and the accounting policies of the Association;
- Performance of analytical procedures to identify unusual relationships which may indicate a risk of fraud or an irregularity;
- Review of Council minutes and correspondence with the Jersey Charity Commissioner and the Jersey Care Commission.
- Journal entry testing - including analysis of the general ledger to identify entries deemed to represent a higher risk of fraud or error.

The inherent limitations of an audit mean that there will always be a risk that irregularities will go undetected, including those which may ultimately lead to a material misstatement. This risk is considered greater where an irregularity results from fraud including misrepresentation, collusion, and forgery.

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

Use of our report

This report is made solely to the Council of Jersey Hospice Care, as a body. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's 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 Association and the Council as a body, for our audit work, for this report, or for the opinions we have formed.

PKF BBA Audit and Assurance Ltd.

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

Mar 18, 2022

Jersey Hospice Care
Consolidated Statement of Financial Activities
Year ended 31 December 2021

	Notes	Unrestricted £	Restricted £	2021 Total Funds £	2020 Total Funds £
Donations and legacies:					
Donations	2	602,922	111,068	713,990	1,139,416
Legacies	3	442,415	-	442,415	496,907
		1,045,337	111,068	1,156,405	1,636,323
Income from other trading activities:					
Shops	4	957,150	-	957,150	768,124
Million pound lottery	5	768,427	-	768,427	767,704
Fundraising events and activities	6	498,627	8,999	507,626	390,173
Other trading income		16,026	-	16,026	10,387
		2,240,230	8,999	2,249,229	1,936,388
Investment income	7	216,971	3,441	220,412	233,763
Income from charitable activities	8	5,397	1,300,000	1,305,397	1,300,000
Total income		3,507,935	1,423,508	4,931,443	5,106,474
Cost of raising voluntary income	10	1,069,036	-	1,069,036	1,269,548
Investment costs	10	110,869	-	110,869	48,440
Costs of raising funds		1,179,905	-	1,179,905	1,317,988
In patient care		3,481,201	350,575	3,831,776	3,477,584
Day hospice & Therapies		143,889	9,917	153,806	617,944
Community services		176,173	1,000,000	1,176,173	1,086,719
Bereavement		286,040	-	286,040	293,079
Children and young people		371,718	10,000	381,718	375,720
Project and feasibility costs	10	148,093	-	148,093	-
Expenditure on charitable activities	10	4,607,114	1,370,492	5,977,606	5,851,046
Total expenditure		5,787,019	1,370,492	7,157,511	7,169,034
Net expenditure on operational activities for the year		(2,279,084)	53,016	(2,226,068)	(2,062,560)
Net realised and unrealised gains on investments	9	868,597	-	868,597	487,282
Net expenditure for the year		(1,410,487)	53,016	(1,357,471)	(1,575,278)
Transfers between funds		71,621	(71,621)	-	-
Net movement in funds		(1,338,866)	(18,605)	(1,357,471)	(1,575,278)
Reconciliation of funds:					
Total funds brought forward		30,829,348	1,218,336	32,047,684	33,622,962
Total funds carried forward		29,490,482	1,199,731	30,690,213	32,047,684

All amounts relate to continuing activities of the group.

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

The notes to the financial statements are shown on pages 26-38

Jersey Hospice Care
Consolidated Balance Sheet
As at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	14	14,981,744	15,261,198
Investments	15	9,609,068	8,759,817
		<u>24,590,812</u>	<u>24,021,015</u>
Current assets			
Stock		2,580	2,995
Debtors	16	491,980	469,446
Cash at bank and in hand	23	6,028,005	8,542,987
		<u>6,522,565</u>	<u>9,015,428</u>
Liabilities			
Creditors: amounts falling due within one year	17	412,971	988,759
		<u>6,109,594</u>	<u>8,026,669</u>
Net current assets			
		<u>30,700,406</u>	<u>32,047,684</u>
Total assets less current liabilities			
Creditors: amounts falling due in greater than one year	18	10,193	-
		<u>30,690,213</u>	<u>32,047,684</u>
Total net assets			
The funds of the charity:			
Restricted funds	19	1,199,731	1,218,336
Unrestricted funds	20	29,490,482	30,829,348
		<u>30,690,213</u>	<u>32,047,684</u>

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

J COWARD

Julie Coward (Chair of Trustees)

18 March 2022

M JAMES

Mark James, FCA (Honorary Treasurer)

The notes to the financial statements are shown on pages 26-38

Jersey Hospice Care
Consolidated Statement of Cashflows
Year ended 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	22	<u>(2,474,304)</u>	<u>2,517,736</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments	7	220,412	233,763
Purchase of property, plant and equipment	14	(280,436)	(134,901)
Proceeds from sale of investments		5,525,554	1,669,869
Purchase of investments	15	(5,506,208)	(1,352,248)
Net cash (used in)/provided by investing activities		<u>(40,678)</u>	<u>416,483</u>
Change in cash and cash equivalents in the year		<u>(2,514,982)</u>	<u>2,934,219</u>
Cash and cash equivalents at the beginning of the year		8,542,987	5,608,768
Change in cash and cash equivalents		(2,514,982)	2,934,219
Cash and cash equivalents at the end of the year	23	<u>6,028,005</u>	<u>8,542,987</u>

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

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

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

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

b) Legal status of the Charity

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

c) Going concern

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

d) Group financial statements

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

e) Fund accounting

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

f) Income

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

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

1 Accounting policies (continued)

f) Income (continued)

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

Income from goods donated for resale is recognised at the point of sale as the Trustees consider it impractical to assess and record the value of goods at the point of donation and undertaking a stocktake and valuation thereof would incur undue cost for the charity which it is felt far outweigh the benefits.

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

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

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

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

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

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

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

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

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

1 Accounting policies (continued)

h) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis under the following headings:

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

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

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

i) Volunteers

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

j) Fixed assets

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

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

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

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

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

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

Freehold property is not depreciated where the property is not in a habitable condition. As with all fixed assets, an assessment is undertaken each year for indications of impairment.

1 Accounting policies (continued)

k) Investment properties

Investment properties are held at fair value, measured on an open market basis. Surpluses or losses arising from the revaluation of investment properties are recognised as unrealised gains/(losses) on investments in the consolidated statement of financial activities.

Movements in the value of investment properties are transferred to the Investment Fund. Realised gains and losses on the sale of investment properties are taken to the General Fund.

l) Other Investments

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

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

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

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

m) Purchased stock

Purchased stock as recognised at the lower of cost or net realisable value.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

o) Cash at bank and in hand

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

p) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, with the exception of debtors and creditors which are subsequently measured at amortised cost.

1 Accounting policies (continued)

r) Pensions

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

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

s) Operating leases

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

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

Operating leases with an obligation to repair and renew are reviewed each year and a provision for the estimated cost of the remediation of dilapidations accrued evenly over the number of years until the next break in the lease.

t) Taxation

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

Jersey Hospice Care
Notes to the Financial Statements
Year ended 31 December 2021

2 Donations

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
General donations	387,402	40,602	428,004	778,350	(240,900)	537,450
Government grants	21,726	45,435	67,161	253,072	-	253,072
In memoriam gifts	139,961	-	139,961	117,276	-	117,276
Gifts in kind and donated services	15,127	-	15,127	64,170	-	64,170
Coop dividends	37,641	-	37,641	17,228	-	17,228
Grants	1,065	25,031	26,096	8,550	141,670	150,220
	602,922	111,068	713,990	1,238,646	(99,230)	1,139,416

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

Government grants relate to income received under the Government of Jersey Fixed Costs Support Scheme and Fiscal Stimulus Funding.

Gifts in kind and donated services excludes donations to the value of £3,513 which were in relation to the Million Pound Lottery and are included as income in note 5, and £5,341 for other fundraising events which are included as income in note 6.

3 Legacies

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Legacy gifts	442,415	-	442,415	496,907	-	496,907
	442,415	-	442,415	496,907	-	496,907

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

As at 31 December 2021 life interest legacies gifted to the charity but not included in the financial statements in accordance with Charities SORP and FRS102 ((see note 1(f)) had an estimated life interest value of £541,000 (2020: £541,000).

4 Shops

	2021	2020
	£	£
Income from sale of goods	957,150	768,124
Costs of buying in goods	8,024	2,945
Staff costs	343,243	369,892
Property costs	121,774	111,730
Other costs	40,500	57,525
Total expenditure from shops	513,541	542,092
Net profit arising from shops (before central cost allocations)	443,609	226,032
Number of shops	2	2

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

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

5 Million pound lottery

	2021	2020
	£	£
Income from lottery sales	2,100,000	2,099,700
Gifts in kind and donated services	3,513	28,083
Bank interest on lottery funds	109	597
Prize money	(1,300,000)	(1,300,000)
Other lottery costs	(35,195)	(60,676)
Net profit arising from the Million Pound Lottery	768,427	767,704

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

Jersey Hospice Care
Notes to the Financial Statements
Year ended 31 December 2021

6 Fundraising events and activities

	2021			2020		
	£	£	£	£	£	£
	Income	Expenditure	Net income	Income	Expenditure	Net income
Car Raffle	75,023	(10,161)	64,862	81,790	(21,766)	60,024
Christmas Tree Collection	50,461	(2,841)	47,620	42,164	(2,032)	40,132
Dragonboat Festival	49,519	(21,866)	27,653	8,171	(1,122)	7,049
Hospice 2 Hospice Half Marathon	20,061	(719)	19,342	4,216	(2,112)	2,103
Tour de Jersey	16,065	(919)	15,146	10,861	(1,918)	8,943
5000 Club	45,678	(34,943)	10,735	51,592	(37,498)	14,094
Other fundraising events	250,819	(36,008)	214,811	191,380	(27,013)	164,367
	507,626	(107,457)	400,169	390,173	(93,461)	296,712

During 2021, £8,999 of the income raised by other fundraising events was restricted to a capital build for children and young people (2020: £2,375) and £nil was restricted to services for children and young people (2020: £1,095). All other fundraising event income in both the current and previous year related to unrestricted funds.

7 Investment income

	2021	2020
	£	£
Income on investment portfolio	118,991	147,820
Rental income	67,485	61,483
Bank interest	33,936	24,460
	220,412	233,763

All investment income in both the current and previous year relate to unrestricted funds except for £3,441 (2020: £7,896) of bank interest received which was restricted to a capital project for children and young people. In 2021, no bank interest was restricted to services for children and young people (2020: £209).

8 Income from charitable activities

	2021	2020
	£	£
HCS agreement for adult community services (restricted)	1,000,000	1,000,000
HCS agreement for development of Jersey Care Model (restricted)	300,000	-
HCS agreement for children and young people services (restricted)	-	300,000
HCS secondment income	5,397	-
Total income from charitable activities	1,305,397	1,300,000

Included in income from charitable activities is government funding from HCS towards the provision of community specialist palliative care services, and support towards the development and delivery of the Jersey Care Model, which are shown as restricted funding. As these are a contribution towards total costs, all income is spent within the calendar year.

9 Net realised and unrealised gains on investments

	2021	2020
	£	£
Realised gains/(losses) on the sale of investments	649,532	(31,399)
Unrealised gains/(losses) on revaluation of equity investments	69,065	(46,319)
Unrealised gains on revaluation of investment properties	150,000	565,000
Net realised and unrealised gains on investments	868,597	487,282

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10 Analysis of expenditure 2021

	Direct Costs £	Direct support costs £	General support costs £	2021 Total costs £
Shops costs (note 4)	513,541	5,598	135,580	654,719
Fundraising costs (note 6)	107,457	221,063	85,797	414,317
Cost of raising voluntary income	620,998	226,661	221,377	1,069,036
Investment property costs	22,238	-	5,808	28,046
Life interest property costs	39,782	-	-	39,782
Investment management fees	34,128	-	8,913	43,041
Investment costs	96,148	-	14,721	110,869
Raising funds	717,146	226,661	236,098	1,179,905
In patient care	1,780,075	1,258,214	793,487	3,831,776
Day Hospice & Therapies	57,364	64,592	31,850	153,806
Community services	506,641	425,969	243,563	1,176,173
Bereavement	120,774	106,033	59,233	286,040
Children and young people	166,654	136,018	79,046	381,718
Project and feasibility costs	148,093	-	-	148,093
Charitable activities	2,779,601	1,990,826	1,207,179	5,977,606
Total	3,496,747	2,217,487	1,443,277	7,157,511

Governance costs include £16,000 audit fees (2020: £16,000) and are recognised within direct support costs. Of the total expenditure of £7,157,511 (2020: £7,169,034), £1,179,905 of the costs of raising funds was unrestricted (2020: £1,317,988), and none was restricted (2020: £0). Of the charitable activities expenditure of £5,977,606 (2020: £5,851,046), £1,370,492 (2020: £1,490,602) was restricted and £4,607,114 (2020: £4,360,444) was unrestricted. Day Hospice services remained suspended throughout 2021 and the clinical staff were re-deployed to the in patient unit. The costs associated with these members of staff are reflected within In patient care above. Project and feasibility costs relate to professional fees incurred in the early stages of the project to build a facility for children and young people. Costs of £41,264 have been carried forward within uncompleted works in note 14 as they relate to the design concept currently being considered.

Analysis of expenditure 2020

	Direct Costs £	Direct support costs £	General support costs £	2020 Total costs £
Shops costs (note 4)	542,092	5,598	131,466	679,156
Fundraising costs (note 6)	93,461	382,647	114,284	590,392
Cost of raising voluntary income	635,553	388,245	245,750	1,269,548
Investment property costs	9,508	-	2,283	11,791
Investment management fees	29,555	-	7,094	36,649
Investment costs	39,063	-	9,377	48,440
Raising funds	674,616	388,245	255,127	1,317,988
In patient care	1,683,091	1,121,327	673,166	3,477,584
Day Hospice & Therapies	317,072	181,255	119,617	617,944
Community services	525,904	350,456	210,359	1,086,719
Bereavement	141,985	94,362	56,732	293,079
Children and young people	181,825	121,166	72,729	375,720
Charitable activities	2,849,877	1,868,566	1,132,603	5,851,046
Total	3,524,493	2,256,811	1,387,730	7,169,034

11 Analysis of staff costs and key management

	2021	2020
	£	£
Wages and salaries	4,398,079	4,445,466
Social security costs	227,063	224,865
Pension costs	342,242	342,205
Private Medical insurance	150,592	113,241
Termination payments	24,785	22,104
	<u>5,142,761</u>	<u>5,147,881</u>

The charity trustees were not paid and did not receive any other benefits from employment with the Hospice or its subsidiaries in the year (2020: £nil).

Termination payments were made to 2 employees in 2021 (2020: 2). Termination payments include payments in lieu of notice and are recognised when the termination of employment is agreed between the parties.

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

The average contract staff head count was 106 and average bank staff head count was 10 (2020: 108 and 9 respectively).

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

	2021	2020
£60,000-£69,999	9	8
£70,000-£79,999	3	2
£80,000-£89,999	1	3
£90,000-£99,999	1	-
£100,000-£109,999	-	1
£110,000 - £119,999	-	-
£120,000 - £129,999	-	-
£130,000 - £139,999	1	-
£140,000 - £149,999	-	1
	<u>-</u>	<u>1</u>

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

Pension contributions relating to staff earning over £60,000 totalled £90,236 in the current year (2020: £115,076).

The Charity considers that the key management personnel comprise the Trustees and the Executive Directors. The total employee benefits of the key management personnel were £659,560 (2020: £554,152).

The Charity benefits from the unpaid work of over 348 volunteers, who ably support paid staff in various ways. In total, volunteers gave 21,700 hours which equates to 11 Full Time Equivalent staff.

12 Net incoming resources

	2021	2020
	£	£
Net incoming resources is stated after charging:		
Depreciation (see note 14)	411,797	398,212
Auditors remuneration: for audit services	16,000	16,000
Operating lease rentals	67,132	62,332
	<u>67,132</u>	<u>62,332</u>

13 Operating Leases

At the year end, the Charity had one operating lease commitment in respect of the lease for the St Ouen shop site. A new 15 year lease was signed in 2016, effective from 1 January 2016. The next option to terminate the lease is effective on 1 January 2026. The total of future minimum lease payments payable not later than one year from 31 December 2021 is £65,199 and later than one year and not later than five years is £195,597, subject to a rent review in line with the Jersey Retail Price Index on 1 January 2025.

On 25 August 2021 Jersey Hospice Care signed Heads of Terms in relation to a new out-of-town retail operation on the site of Fauvic Nurseries, La Rue au Long, Grouville. The Heads of Terms stipulate the specification for the building from which the shop will operate and the terms of the tenancy, and are subject to the approval of the planning application for development of the site which was submitted by the owner on 26 November 2021. The Heads of Terms are non-binding and as such there is no future provision required in these financial statements.

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14 Tangible assets	Freehold property £	Leasehold Alterations £	Fixtures, fittings and equipment £	Uncompleted works £	Total £
Cost or revaluation					
At start of year	16,184,615	128,046	1,750,400	1,273,612	19,336,673
Additions	-	-	68,870	211,566	280,436
Disposals	-	-	-	(148,093)	(148,093)
Transfers	1,194,866	-	48,326	(1,243,192)	-
At end of year	17,379,481	128,046	1,867,596	93,893	19,469,016
Depreciation					
At start of year	2,723,452	79,781	1,226,889	45,353	4,075,475
Charge for the year	264,237	4,827	142,733	-	411,797
Transfers	45,353	-	-	(45,353)	-
At end of year	3,033,042	84,608	1,369,622	-	4,487,272
Net book value at the end of the year	14,346,439	43,438	497,974	93,893	14,981,744
Net book value at the start of the year	13,461,163	48,265	523,511	1,228,259	15,261,198

The land and buildings comprising Clarkson House were valued at £18,000,000 on an open market value basis with vacant possession as at 31 December 2014. An impairment assessment has been carried out as at 31 December 2021 which concluded that there were no indicators of impairment at that date.

Freehold property includes Clarkson House, the field to the north of Clarkson House, Highlands Farm and the Town Shop on Union Street. The transfer from uncompleted works to freehold property includes the depreciated cost of Highlands Farm and the field to the north of Clarkson House.

15 Investments	2021	
	£	
a) As start of the year	8,759,817	
Additions	5,506,208	
Disposals	(4,876,022)	
Unrealised gain on revaluation equity investments (note 9)	69,065	
Unrealised gain on revaluation of investment property (note 9)	150,000	
At end of the year	9,609,068	
b) Analysis of investments	2021	2020
	£	£
Investment property	2,495,000	2,345,000
Equities and Fixed interest securities	6,900,286	6,247,909
Cash held as part of the investment portfolio	213,782	166,908
Total group	9,609,068	8,759,817
Equity investment in subsidiaries	20,002	20,002
Loan to subsidiary	679,157	679,157
Total charity	10,308,227	9,458,976

All investments are held in Jersey and the UK.

The investment properties held at 31 December 2021 were 42 Maison Belleville, three flats at 13 Union Street, Wayside and Finchley. The most recent valuation of the investment properties was undertaken by Erica Zonta A.N.A.E.A. as at 31 December 2021.

The investment portfolios are held with Rathbone Investment Management International Limited and UBS AG London. The portfolios returned 11.1% (2020: 2.8%) and 14.4% (2020: 2.6%) respectively over the year against an investment objective to generate a return of inflation + 2.5% annualised. Both portfolios were rebalanced to an ESG focus during the third quarter of 2021.

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16 Debtors	2021	2020
	£	£
Trade debtors	454,642	449,973
Taxation recoverable	24,012	17,721
Prepayments	13,326	1,752
	<u>491,980</u>	<u>469,446</u>

Trade debtors includes £207,000 (2020: £295,000) relating to outstanding legacies.

17 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	63,261	100,957
Accruals	177,505	106,877
Receipts in advance	79,328	409,811
Other taxes and social security	92,877	89,864
Provision for returned donations	-	281,250
	<u>412,971</u>	<u>988,759</u>

18 Creditors: amounts falling due in greater than one year	2021	2020
	£	£
Lease dilapidations	10,193	-
	<u>10,193</u>	<u>-</u>

19 Restricted funds	Balance at the start of the year	Income & gains	Expenditure & losses	Transfers	Balance at end of the year
	£	£	£	£	£
Bereavement	5,316	-	-	-	5,316
Day Hospice	15,065	-	-	-	15,065
In Patient Unit	79,553	-	-	(39,547)	40,006
Complementary Therapies	16,270	9,917	(9,917)	-	16,270
Education	34,865	-	-	-	34,865
Financial assistance	4,390	-	-	-	4,390
Sensory Room	-	21,670	-	(17,099)	4,571
Children and young people (build)	1,062,877	16,371	-	-	1,079,248
Children and young people (services)	-	10,000	(10,000)	-	-
Staff Fund	-	-	(25)	25	-
HCS agreement for services (adults)	-	1,000,000	(1,000,000)	-	-
HCS agreement for services (JCM)	-	300,000	(300,000)	-	-
Government of Jersey - FSF	-	45,435	(45,435)	-	-
COVID-19	-	5,115	(5,115)	-	-
Retail	-	15,000	-	(15,000)	-
Total	<u>1,218,336</u>	<u>1,423,508</u>	<u>(1,370,492)</u>	<u>(71,621)</u>	<u>1,199,731</u>

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

Children and Young People (build) - The balance carried forward of £1,079,248 relates to restricted donations to be applied to a capital project for the provision of services to children and young people.

Restricted funds are held in the form of cash.

20 Unrestricted funds

	Balance at the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	Balance at end of the year £
General Fund	22,069,531	3,527,281	(5,787,019)	71,621	19,881,414
Designated Investment Fund	8,759,817	5,725,273	(4,876,022)	-	9,609,068
Total	<u>30,829,348</u>	<u>9,252,554</u>	<u>(10,663,041)</u>	<u>71,621</u>	<u>29,490,482</u>

The transfer to restricted funds during the year related to a contribution towards the staff fund of £25. In addition, £71,646 was transferred from restricted funds to the general fund in relation to fixed asset additions. The corresponding transfers can be seen in restricted funds in note 19.

Investment Fund - The Investment Fund is represented by £2,495,000 (2020: £2,345,000) of investment properties and £7,114,068 (2020: £6,414,817) of equities and cash held in investment portfolios.

21 Related party transactions

During the year £326 was paid to La Mare Vineyards Limited, a related party through a trustee, Tim Crowley. All transactions were for catering services and were charged at arms' length prices.

During 2021 £720 was paid to Siobhann Macleod, a related party through a trustee, Colin Macleod, in relation to architectural advice for the development of a capital build for Children and Young People. The fee was charged at a discounted rate.

During 2021 £3,000 was paid to Elizabeth Palfreman, trading as EP Associates, a related party through the Chief Executive, Mike Palfreman. The transaction was in relation to consultancy fees regarding investigating and reporting on fundraising opportunities and potential and was charged at a discounted rate.

None of the Trustees have been paid remuneration or received any other benefits from an employment with Jersey Hospice Care or its related entities during the year, nor were they reimbursed for any expenses during the year.

22 Reconciliation of net cash provided by operating activities

	Notes	2021 £	2020 £
Net expenditure for the reporting period (as per the Consolidated Statement of Financial Activities)		(1,357,471)	(1,575,278)
Adjustments for:			
Depreciation charges		411,797	398,212
Disposal of property, plant and equipment	14	148,093	-
Net realised and unrealised gains on investments		(868,597)	(487,282)
Dividends, interest and rents from investments		(220,412)	(233,763)
Decrease in stocks		415	3,744
(Increase)/decrease in debtors		(22,534)	4,142,488
(Decrease)/increase in creditors		(565,595)	269,615
Net cash (used in)/provided by operating activities		<u>(2,474,304)</u>	<u>2,517,736</u>

23 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	341	341
Current and reserve accounts	1,983,736	4,523,124
Notice deposits (less than 3 months)	4,043,928	4,019,522
Total cash and cash equivalents	<u>6,028,005</u>	<u>8,542,987</u>

24 Events after the reporting period

The Russian invasion of Ukraine on 24 February 2022 and subsequent war has significantly impacted the global equities market. The combined market value of the investment portfolios held by the Charity has fallen significantly since the reporting date. As at 10 March 2022 the combined market value was £6,424,353, representing an unrealised loss of £689,715.