



2020 Trustees'
Annual Report

Princess Alice Hospice makes a difference

It costs £10.1 million each year to provide our free, high-quality care.

As a charity, 24% of our income comes from the NHS, the rest is generated by fundraising, retail operations, donations and legacies and it's only the ongoing, generous support of our community and beyond that make it possible to do our work.

We provide excellent end of life care in the community and within our Hospice. Members of our team of employees, volunteers and supporters are positive, passionate and professional. We know we can't prevent death, but we do everything we can to make it as good as possible. Because, above all, we believe that hospice care is for living.

Our Vision

Our communities will have the best care and support before, during and after death.

Our Mission

To reach out to more people by delivering outstanding care, nurturing compassionate communities, sharing our knowledge and expertise, and influencing the debate around death and dying.

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Chair and CEO's Report

In the third year of our five-year strategic plan, the Board and Senior Management Team (SMT) are firmly committed to the overarching ambition of going faster and further to reach more people with high-quality palliative and end of life care, knowledge and expertise. To this end, we have accelerated efforts to become a digitally-led and data-driven organisation; promoting best practice, capturing insight, driving efficiencies and controlling expenditure. None of us could have foreseen that these particular goals would serve us so well during the acute phase and ongoing fallout of a global pandemic. Our speedy response ensured that our charitable contribution has been relevant, providing tangible benefits to patients, families, communities and the wider health and social care system.

Alongside this, our Community Engagement team has broadened its reach to those most vulnerable people in our care area, with a focus on providing emotional and social support. As one of seven hospices in London and outer London championing the Compassionate Neighbour volunteering programme, we have collaborated to maximise impact and shared the results with the Mayor of London and the Right Honourable Dominic Raab, MP for Esher and Walton, demonstrating the potential of this initiative to create a more compassionate capital.

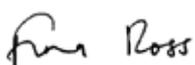
COVID-19 and lockdown triggered an innate human desire to reach out to others, to help and support communities. We were able to respond quickly by building on our experience of working with volunteers and local groups. We recruited over 100 new Compassionate Neighbours from diverse backgrounds, providing online training that gave them the confidence to offer vital and meaningful support in their local communities. Many of our more established services, such as bereavement support and carers' support, have continued by telephone and over Zoom, while Death Cafés and Bereavement Cafés are being held online.

Against a backdrop of structural changes to healthcare, we remain resolute in our commitment to starting and leading conversations around improving the care for people who are nearing the end of their lives. As the pandemic surged, our Education Team worked at pace to create and deliver online training programmes to groups of care homes, GP partnerships and community nurses, on topics from infection control to difficult conversations around the end of life. We have worked hard to build our networks and cement relationships with community teams within Primary Care Networks to ensure that patients, their families and carers can access the right support through dying, death, grief and loss.

The Black Lives Matters movement has reinforced the fact that time and time again the lived experience of our Black, Asian and Minority Ethnic (BAME) colleagues, friends and family members is not one of true inclusivity and equality in both professional and social settings. As leaders of an organisation, the Board and SMT have renewed their determination to ensure equality, inclusivity and diversity is central to the work we do. Starting at the top of the organisation, we have committed to improving the representation of people from BAME communities on our Board committees.

Looking ahead, funding necessarily remains a key focus and challenge. To date, we have received three emergency Government funding tranches negotiated by Hospice UK, to ensure that hospice capacity was maintained during the crisis. While this provided a temporary reprieve and meant that we did not have to cut vital services when needed most, it does not guarantee long term financial sustainability. We have lost substantial income from the cancellation of most of our fundraising events and the forced temporary closure of our 45 shops. It currently takes £10.1m to provide our services. In 2019/20, we received just 24% of our necessary income from the NHS. While our community, supporters and volunteers have responded generously in a myriad of ways, with Gift in Wills making up a significant proportion of our income, we are realistic that future charitable fundraising will be tough and uncertain.

We are hugely grateful for the professionalism, agility and flexibility of our employees and volunteers throughout the year, but in particular for their commitment and resilience in the way they have responded throughout the crisis to ensure we have been able to continue to care for our patients and families. We also recognise that this was at a time when many were facing personal family challenges and pressures. We thank everyone for tackling enormous challenges and for reframing, refocusing and rebuilding priorities while continuing to deliver excellence.



Chair



Chief Executive

How we improved our care in 2019/20



We will be recognised for the outstanding care we provide

We will use our specialist expertise to develop wide-ranging approaches to end of life care and support to help more people live life to the full, and when the time comes, to have a good death.

The following sets out the activities addressing the strategy and achievements.

Flexible and practical wellbeing services

We have:

- Launched our new Wellbeing Centre (formerly Day Services).
- Introduced educational talks on nutrition, chair-based exercise and relaxation.
- Offered advice on symptom management and complementary therapies.
- Organised 'Welcome to Princess Alice Hospice' tours.
- Supported carers by identifying and addressing their particular needs while encouraging peer support through WhatsApp groups.

"The Wellbeing services are making me feel alive. It is great that we can get together with people that have similar issues, and we can openly discuss them." Hospice patient

Outpatient Clinics in General Practice

We have:

- Established five Outpatient Clinics in well-placed GP surgeries with good access to parking and facilities – improving choice for patients and their families.
- Managed a caseload of 50 to 60 patients in the Clinics at any one time (pre-pandemic).
- Evaluated the patient experience.
- Initiated "Planning Ahead" (Advance Care Plan) conversations where appropriate.

Increased support for patients with a non-cancer diagnosis

We have:

- Established professional partnerships with local heart failure and frailty teams.
- Promoted the benefits of earlier referral to palliative care services.

Equity of access to end of life and palliative care services

We have:

- Promoted access to our, free at the point of use, Wellbeing Centre programme, outpatient clinics and compassionate communities' initiatives.
- Introduced a benefits, grants and support database.
- Provided signposting for patients and carers to help them navigate the financial and community resources that are available in the wider system.

Single Point of Response system (SPR)

We have:

- Developed the SPR system in readiness for launch with a dedicated '0300' number.
- Combined our user-focused teams (Triage, Clinical Administration, Enhanced Support and Rapid Response) into a 'one-stop-shop', making communication more efficient and effective.

GOAL

2

We will nurture compassionate communities

We will continue to grow and nurture our Compassionate Communities and equip more people with the knowledge, skills and confidence to support each other through death, dying, grief and loss.

Volunteer-led social support

We have:

- Trialed a new social group in Walton-on-Thames. The 'Meet up Monday' initiative at the local Hospice furniture shop has proved to be an excellent way to test how we might use our shop spaces as part of our Compassionate Communities activity.
- Started a monthly book club in Banstead.
- Begun to develop Community Charters for each of the four Compassionate Communities pilot sites.
- Created a 'Nurturing Compassionate Communities' leaflet to showcase activities
- Presented the opportunities and benefits of establishing Compassionate Communities to Kingston and Richmond Clinical Commissioning Groups (CCGs), with positive feedback and new contacts made.

Community bereavement support in partnership with other organisations

We have:

- Established more than 30 initiatives, which include monthly bereavement support cafés, walk and talk events, book clubs that take place in the community, together with a cookery course developed and run at the Hospice.
- Rolled out a 12-week training course for new Bereavement Support volunteers to provide one to one support to people whose loved ones have died under our care.

Compassionate Neighbours and family volunteering support

We have:

- Trained approximately 200 Compassionate Neighbour volunteers.
- Supported more than 140 community members.
- Launched Family Volunteering, recognising the commitment that children and young people make when taking part in activities and events such as the annual Santa Fun Runs.

Engagement and support for families and carers

We have:

- Piloted a scheme offering social support to families through our range of activities
- Run additional Carers' Cafés.
- Increased the support provided to children and young people who attend our monthly Dovetail group.
- Developed resource packs for employees and volunteers across the organisation to help them talk to families and carers about what is available.

Conversations about death and dying through Death Cafés and 'Before I die...' events

We have:

- Encouraged conversations around death, dying, grief and loss through outreach activities.
- Developed links with schools, community groups, companies and other organisations.
- Reached more than 6,000 people.
- Facilitated several well-received Death Cafés in Banstead, Kingston and Walton-on-Thames, as well as for employees and volunteers.

Building a "Planning Ahead" initiative so that more people can think about what's important to them and their loved ones as they become less well

We have:

- Trained volunteers who can mediate difficult conversations between loved ones.
- Developed an online resource on our website with publicity through our social media channels.
- Introduced the opportunity for people to have the conversations over the phone or via video as well as face to face.

"It was quite an emotional process but so valuable. I have talked to my GP and feel confident that all the relevant people now know how I'd like to spend the time I have left, and how I want to be looked after."



We will share our knowledge and expertise and influence the debate around death and dying

We will raise awareness of high-quality end of life care by sharing our skills, knowledge, research and opinions.

Education through online delivery of Project ECHO (Extension for Community Healthcare Outcomes) consisting of a six month programme and network support

We have:

- Increased video conferencing and online learning as a way of disseminating our education programme.
- Delivered ECHO networks to care homes, GPs in Kingston and Paramedic Practitioners across South East Coast Ambulance Service (SECAMbs).

Online information and resource service for partner hospices

We have:

- Developed a suite of eLearning information resources to support partner hospices.
- Planned a pilot for 2020/21.

Summer school for young people aged 16-19

We have:

- Introduced young people from local schools and colleges to the Hospice and end of life care.
- Supported the students to successfully achieve the City & Guilds Level 2 Award in Awareness of End of Life Care (three credits).
- Raised awareness of careers in health and social care.

Expanded delivery of the European Certificate in Essential Palliative Care (ECEPC)

We have:

- Supported Severn Hospice, Shrewsbury to successfully deliver their first ECEPC course in Autumn 2019.
- Recruited two additional hospices to deliver their first course in 2020/2021.

Objectives for 2020/21



We will be recognised for the outstanding care we provide

We will use our specialist expertise to develop wide-ranging approaches to end of life care and support to help more people live life to the full, and when the time comes, to have a good death.

This year we will:

- Transition from our current clinical database (Crosscare) to EMIS Health – an electronic health management information system that is widely used by other health care providers. This will create a shared health record which will improve patient experience and speed of referral and service delivery and also our ability to share and access information with our primary and community care partners.
- Launch our SPR with a dedicated '0300' number providing a "one-stop-shop" and direct access to the right person.
- Fully integrate EMIS into our community services and achieve a paperless Triage process.
- Promote collaboration between the Wellbeing Centre and the Community Engagement Team to ensure we deliver the best experience and continuity of service to patients and carers.
- Continue to provide core clinical services by utilising technology to virtually connect with patients and families in addition to face to face consultations.



GOAL

2

We will nurture compassionate communities

We will continue to grow and nurture our compassionate communities and equip more people with the knowledge, skills and confidence to support each other through death, dying, grief and loss.

This year we will:

- Ensure regular communication with volunteers, while the majority have been stood down during the current pandemic, and facilitate their phased return with appropriate training and support.
- Increase the number of Compassionate Neighbours and ensure that they are recognised across the Hospice as a source of support for patients and their families.
- Launch a joint family legacy initiative with Hospice Biographers giving grandchildren the opportunity to record conversations with their grandparents.
- Use digital channels, such as our website and social media, to better share our Planning Ahead materials and explore opportunities for an online Carers Café.



GOAL

3

We will share our knowledge and expertise and influence the debate around death and dying

We will raise awareness of high-quality end of life care by sharing our skills, knowledge, research and opinions.

This year we will:

- Continue to utilise Project ECHO to deliver education to a range of health and social care partners, responding to a need for bereavement support and upskilling the wider health and social care system in death and dying.
- Pilot a new online information and resource service for partner hospices.
- Offer a summer school for young people aged 16-19 to introduce them to end of life care and opportunities for careers in health and social care.
- Apply for research grants, which will allow us to capture some of the changes we have experienced during this period, and learn from them.
- In response to increasing requests, deliver bespoke Zoom training and education to individual GP partnerships and care homes, and larger groups, such as care homes within Surrey Heartlands, and community nurses within Surrey Downs.
- Use our knowledge of video conferencing as a teaching tool to grow our online teaching capability and offer a more flexible and wide ranging programme in a 'new normal'.
- Continue clinical audits to improve palliative care, and carry out training via Zoom to develop future palliative care specialists, supported by medical teaching and journal clubs.

How we will support the development and delivery of priorities within our three goals in 2020/21

Ensuring we will be there for our communities by maintaining sustainable income, while recognising uncertainty and the impact of the pandemic to the broader economy.

This year we will:

- Continue to bring the Hospice closer to its communities, supporters and the wider health and social care system, driving engagement through external communications and campaigns.
- Communicate the impact and importance of the Hospice and highlight the importance of voluntary income generation in securing its future sustainability.
- Further develop our digital fundraising capabilities to ensure our supporters can engage and donate through multiple channels in an easy and efficient way.
- Raise awareness about the importance of people remembering us by leaving a gift in their Will.
- Invest in existing and new fundraising products and explore new ways to generate income.

- Re-open our shops in the wake of the COVID-19 lockdown with a focus on operational excellence, training and developing our people to deliver superb customer and supporter experience.
- Strive to demonstrate ingenuity and resilience as we meet the challenges of the shifts in retail consumer behaviour and the high street.

Improving the way we work

This year we will:

- Drive a renewed and strengthened approach to income generation and digital under new directorates.
- Review business processes and procedures and eliminate those that add no value.
- Focus on performance improvement through improved data quality, KPI reporting and analysis to better inform outcome and impact reporting.
- Develop our workforce so that we have the right skills and expertise in the right quantity to deliver our strategy successfully.
- Enhance the use of digital tools to better promote cross-organisational collaboration and communications with our audiences.
- Increase the ability to understand more about the audiences we serve to help drive development of existing and new services.

Structure, governance and management

Princess Alice Hospice was incorporated as a company limited by guarantee on 25 November 1981 and is governed by its Articles of Association. We are registered with the Charity Commission in England and Wales. Our registered office is at West End Lane, Esher, Surrey KT10 8NA.

Objectives

The Hospice is an independent charity working across a large part of Surrey, south west London and Middlesex. We provide free high-quality, compassionate care and support at the end of life for patients, families, carers and close friends at every stage, up to, and after death.

Through education and research, we aim to improve palliative care knowledge and to change practice in the wider health and social care economy. Founded by our local community, fundraising and community support are crucial to our continuing work as a charity.

How we are governed

Our Board of Trustees is responsible for overseeing the Hospice's strategy and performance. It is chaired by Professor Fiona Ross CBE.

The Board is committed to maintaining the highest standards of governance. An independent review of Board governance and effectiveness was carried out by CASS Business School at City University, London in October 2017 and its recommendations have been implemented. During 2019/20 the Hospice carried out a self-assessment against the Charity Governance Code. This code sets out the principles and recommended practice for good governance and is intended as a tool for continuous improvement. It

has seven principles underpinned by key outcomes and 76 points of recommended practice. The Hospice has adopted the key principles and is already applying much of the recommended practice. An action plan has been developed to address areas where the recommended practice is not in place or requires further development.

The Board meets regularly throughout the year to consider, set and review strategies, policies, budgets, plans and performance and holds an annual away day for strategic discussions. Members of the SMT attend Board meetings and report on performance and progress against strategic objectives. The Board delegates powers and responsibilities to the following committees: Clinical Strategy and Governance, Finance and General Purposes, Audit and Risk, Income Generation, People and Communities, Remuneration and Nominations. Committee terms of reference define responsibilities and delegated authority and are reviewed annually by the Board.

The membership of committees is made up of Trustees, independent advisors who are selected for their specialist expertise, senior managers and their deputies. Minutes of committee meetings are circulated to the Board and Committee Chairs report back to the Board on major issues and decisions.

Board Committees

The Clinical Strategy and Governance Committee, chaired by **Dr Heather Patel** (formerly chaired by **Jane Hogg** to December 2019), is responsible for overseeing clinical strategy, education and research. It provides assurance on the development, implementation, safety and effectiveness of the clinical services delivered by the Hospice. It monitors clinical activity, performance and risks against the annual business plan, raising issues to the Board where appropriate. It also oversees relationships with our health and social care partners regarding grants, contracts and service level agreements. The Committee monitors health and education policy and regulation and keeps the Board informed as appropriate.

The Finance and General Purposes Committee, chaired by **Despina Don-Wauchope**, oversees the finances of the Hospice. It is responsible for reviewing and recommending to the Board the annual budget and financial strategy and monitoring performance against budget during the year. It oversees the investment of the Hospice's funds, recommending on the appointment of an investment manager and reviewing their performance.

The Income Generation Committee, chaired by **Jeannine Nolan**, is responsible for the identification, development, implementation and effectiveness of all income generation activities (except for NHS grants) including the Hospice's retail portfolio. It ensures compliance with all regulatory requirements impacting the Hospice's income generation activities.

The People and Communities Committee, chaired by **Karen Roberts**, oversees the development, implementation and effectiveness of the Talent and People Strategy, community engagement and communication and marketing programmes. It oversees and reviews HR governance, the volunteer strategy and from time to time undertakes workforce reviews, ensuring the Hospice has the skills and expertise it needs to deliver its strategy.

The Remuneration and Nominations Committee, chaired by **Professor Fiona Ross**, has a membership of the Committee Chairs, the Vice-Chair of the Board and the CEO. It meets at least annually to consider succession planning for the leadership team, to recommend changes to the remuneration of the Chief Executive and SMT, to receive reports from the Chair on trustee skills and succession and oversee arrangements for a search committee for senior management and Trustee recruitment.

The Audit and Risk Committee, chaired by **Professor Sean Hilton**, oversees risk management and governance processes, external audit and internal risk and quality reviews. It reviews the management of systems for internal

control and advises the Board on exposure, mitigation and lessons for quality improvement. It manages the relationship with the external auditors, reviews feedback on their performance and value for money and advises on reappointment as appropriate.

Trustees

The Trustees are the directors of Princess Alice Hospice for the purposes of the Companies Act 2006. There is a short biography of the Trustees on page 29. One of the Trustees usually serves as Vice-Chair of the Board and Sean Watson took on this role in September 2018. Trustees are not paid. The Charity Commission has given permission for the Hospice to provide Trustee Indemnity Insurance cover.

New Trustees and committee advisory members

The Board believes it is vital to get a mix of Trustees with healthcare, legal, financial, investment, fundraising, commercial, digital and retail skills, as well as skills and experience drawn from the local community. Trustees are initially appointed for two years and may then be reappointed for up to two more four year periods (up to a maximum of 10 years). The Board has a good gender balance, but it is pursuing positive action to increase representation of people from BAME communities.

In addition to Trustees, the Board can invite people to become an advisory member of a Committee. This is typically someone with relevant specialist expertise in the Committee's area of responsibility. These appointments are normally for an initial period of up to two years. During this time, the person may be invited to become a Trustee, or they may continue as a committee advisory member. Their appointment can be renewed by mutual agreement, and the Board can end the appointment at any time. During the year, there were eight committee advisory members serving on Hospice committees. New Trustees and new advisory members receive an induction and training specific to their role, as well as attending the Hospice's induction day for all new employees and volunteers.

We began a process to recruit new Trustees in early March; an advertisement was placed in the national press, on LinkedIn and through our website.

Senior Management Team

The Hospice internal management structure is made up of six directorates, each led by one member of the team.

These directorates are:

Clinical Services – responsible for in-patient care, community care, wellbeing services, therapies, social work and education.

Medical – covering doctors, including consultants.

Finance and Operations – responsible for finance, information and communication technology, facilities, health and safety, housekeeping, catering and business improvement.

People and Communities – responsible for human resources, volunteering, community engagement, bereavement care and chaplaincy.

Fundraising, Marketing and Communications, Digital and Data – responsible for all income generation and communication activities, apart from NHS or retail activities, and digital and data.

Retail – covering all aspects of our shops.

From 1 April 2020, there have been some changes to the directorates. Information and Communication Technology has moved under the new Digital, Marketing, Communications and Performance directorate, now responsible for all communication activities, information and communication technology and digital and data. Responsibility for both retail and fundraising is now under the remit of the Income Generation directorate.

Remuneration Policy

The Hospice directly employs medical consultants, doctors, nurses and other allied professional healthcare staff, who are paid at a rate equivalent to the relevant national scale for their profession. We take into account people's skills, knowledge, experience and commitment, as well as market forces in recruitment, when setting salaries for other roles. We benchmark against available information, such as comparable roles advertised locally and charity salary surveys. We take part in salary surveys ourselves and benchmark against a range of our peers.

Internal Control and Risk Management Processes

Through the Audit & Risk Committee, the Board oversees the management of systems for internal control and undertakes quality reviews for building best practice and developing learning across the organisation. These systems are designed to prevent, as far as possible, material misstatement or loss. The Hospice has a five-year strategy supported by an annual business plan and budget which are approved by the Board. The Finance and General Purposes Committee reviews the annual budget in detail before recommending it to the Board for approval.

Note 20 of the Financial Statements shows that last year legacies accounted for 41% of our total net income (2019: 50%). The Hospice uses forecast information produced by Legacy Foresight, a specialist legacy sector analysis company, as a basis for budgeting and business planning. NHS grant income represents 20% (2019: 19%) of our total net income. The Hospice has secured a three-year grant funding agreement with Surrey Heartlands CCG and has one-year grant agreements in place with South West London CCG. The Board has assumed in its strategic plans that there would not be a significant drop in this source of income over the next few years. However, the economic landscape and impact of the Coronavirus pandemic and lockdown on fundraising and retail income has had a major and serious impact.

Going Concern

The COVID-19 pandemic did not impact 2019/20 results, as although all of the Hospice's retail shops closed on 21 March 2020, the impact was offset by government support in the form of the Coronavirus Retail, Hospitality and Leisure Grant Fund (RHLGF) and recovery of furloughed shop staff costs through the Coronavirus Job Retention Scheme (CJRS).

The retail shops remained closed until 2 July 2020 then began a phased re-opening. All shops should be open and COVID-secure by September. The longer-term impact on high street sales is still unknown. Face to face and group fundraising events were put on hold, but some relevant activity moved online, and the fundraising team engaged with supporters very successfully via social media. It is hoped to build on this success with a blend of digital and face to face fundraising as restrictions are relaxed. The Compassionate Care Continues appeal was launched in March and exceeded expectations. Although fundraising income for the year is expected to be impacted, results for April and May have surpassed budget.

Although there will be more financial impact in 2020/21, short-term government support received will help to mitigate the effect on both income and cash flow. The Hospice has benefited from a share of the £200m per quarter emergency NHS capacity funding in the form of grants through Hospice UK and recovery of furloughed staff costs from the CJRS. Retail will also benefit from the business rates holiday announced for 2020/21.

The Board and the Finance and General Purposes Committee are monitoring closely the impact of the pandemic on both short and longer-term operations. Cash flow forecasts have been prepared in response to scenario planning. The Trustees are satisfied that even under the worst-case scenario considered, there are sufficient funds in current bank and building society accounts, together with investment funds, to continue operating and meet liabilities as they fall due for the foreseeable future.

The Board's view, therefore, is that the Hospice's balance sheet is sufficiently robust to provide resilience and that our reserves should allow the Hospice time to respond with reduction of services and cost savings if income projections significantly deteriorate.

Reserves

As noted above, a significant amount of the Hospice's income comes from legacies and NHS Grants. The Board maintains scrutiny over the external environment and uncertainties related to these sources of income.

We carry out financial planning and produce a three-year projection of income and expenditure. This identified the need to cut costs in 2019/20 in order to set a balanced operational budget in cash terms for the next three years. A redundancy programme was initiated in March 2019. A total of nine employees were made redundant, five of whom had opted for voluntary redundancy. This has resulted in an ongoing saving of £500,000.

The Trustees have set aside funds in a designated Running Costs Reserve to meet future charitable expenditure in the event of a significant short-term drop in income. This has a target of nine months' (plus or minus three months') budgeted charitable expenditure for the year ahead. During the current challenging economic climate for income generation, the Board feels that the aim should be to maintain this reserve at around the mid-point of the target range. The balance on this reserve at the year-end represented nine months (2019 – eight months) of the Hospice's budgeted charitable expenditure for 2020/21.

The Hospice has established a designated fund, the Strategic Development Reserve, to support the delivery of our five-year strategy 2017-2022. As part of the annual budget process, the Hospice reviews a schedule of costs related to proposed strategic initiatives, to be drawn down from this reserve during that year.

Notes 5 to 7 of the Financial Statements provide more detail on these and other reserves.

Investments

As set out in the Articles, the Trustees can invest the Hospice's reserves in banks and building society deposits, stocks, funds, shares or other securities they think are appropriate.

The Hospice's investments are managed on a discretionary basis by Cazenove Capital Management, a firm of professional investment managers. As at 31 March 2020, the Investment Portfolio totaled £2,536,839 (2019: £2,720,650). The market value of the Investment Portfolio decreased by £240,820 (2019: increased by £461) during the year. This was mainly due to stock market volatility in the quarter ending 31 March 2020 linked to the COVID-19 crisis.

The only ethical restriction imposed by the Board is that there must be no direct investment in any securities issued by tobacco companies. The Hospice is aware of the growing debate around ethical and responsible investment, and consideration of these issues will form part of the review of investment policy being carried out by the Finance & General Purposes Committee in 2020/21.

The Finance and General Purposes Committee and our investment managers regularly review the performance of

the investments in meeting the Hospice's investment policy. More details about our investments are in Note 11 of the Financial Statements.

Retail

As part of the five-year strategy 2017-2022, we planned to invest in retail and expand our chain of shops. However, a structural shift in shopping habits, followed by COVID-19, has left no high street brand unscathed, and we are currently reviewing this strategy. The rise in online shopping and a surge in retailers' operating costs have changed the retail environment in an unprecedented way. We have not opened any new shops in 2019/20. We believe that by increasing our use of online platforms, tapping into our strong presence on the high street and seeking to offer more community support in-store, we can positively reshape our retail business for the future. We also continue to be conscious of the environmental impact of consumerism and where possible look to avoid sending items not suitable for sale to landfill.

As can be seen from note 2 of the accounts, the net contribution from retail has continued to decline, down to £350,891 from £514,653 last year. As noted above, we were forced to close all of our shops on 21 March 2020. They will begin a phased re-opening from July 2020, but this enforced closure and continued social distancing requirements will have a significant impact on retail in 2020/21. We appointed a new Director of Income Generation - to begin in April - on the retirement of the Retail Director and are developing a strategic plan to review our retail portfolio. We are committed to maximising the contribution of our retail footprint in the future, both in terms of profitability and the part the shops play in disseminating our service and support to the local community.

Employees

Our work is only possible because of the dedicated service that our employees provide and we would like to thank them for their hard work, commitment and extraordinary contributions made to keep our vital services going through a national public health emergency. In 2019/20 the Hospice employed 443 people (2019:447), the equivalent of 334 full-time employees (2019:338).

Volunteers

We could not offer the services that we provide without the support of the 1,500 or so volunteers who generously give their time at the Hospice, in our shops and by fundraising in their local communities. These volunteers provide enormous added benefit to the Hospice and the people we help.

Around 970 volunteers support the Hospice itself in a variety of different roles. Some provide care services to our patients and families, as ward support volunteers, compassionate neighbours, bereavement support volunteers or complementary therapists. Others volunteer in the Hospice by manning our reception and coffee shop, supporting with administrative tasks, driving our day patients and maintaining our grounds. We have also had a number of corporate volunteers support us in the Hospice and our shops.

Other volunteers are involved in fundraising, including the Friends' Committees, which organise events in the community and promote the work of the Hospice to raise vital funds.

Around 530 people volunteer in our retail operation, supporting the staff to keep the Hospice's shops open six or seven days a week or helping with administration at the retail head office in Molesey.

Volunteers are recruited through advertising. They attend an induction programme and receive initial and ongoing training. Service users such as patients, families and carers, who have expressed an interest in participating in-service design, work with us on steering groups and in other activities where they can influence areas of service delivery. The COVID-19 crisis meant that we had to stand down the majority of our volunteers in order to comply with Government guidance, however many of them took on new or adapted roles that they were able to deliver in a socially distanced way, for which we are extraordinarily grateful. We have ensured that we have maintained contact with our volunteers throughout this period through monthly newsletters, social media and catch up calls, and we are very much looking forward to them returning as soon as it becomes safe for them to do so.

Public benefit

The Trustees give careful consideration to the Charity Commission's guidance on public benefit when setting the Hospice's aims and objectives and planning activities. Access to our services is on the basis of need and open to anyone via referral from a healthcare professional, or, in the case of bereavement support, self-referral. There is no charge to patients or their families for any of our current care services.

Statement of Trustee's responsibilities

The Trustees (who are the Directors of the Hospice for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in line with the law and the regulations that apply. Under company law, the Trustees must prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare such statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). By law, these statements must give a true and fair view of the Hospice's finances and of the income and expenditure for the financial year.

When preparing these financial statements, the Trustees must:

- Choose suitable accounting policies and follow them consistently;
- Keep to the methods and principles in the Charities' Statement of Recommended Practice (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a 'going concern' basis, unless the Hospice is unlikely to continue in business.

The Trustees must keep proper accounting records that disclose the Hospice's financial position to a reasonable level of accuracy at all times and make sure that the financial statements comply with the Companies Act 2006. They are also responsible for protecting the Hospice's assets and taking reasonable steps to prevent and detect fraud and other unusual activity.

The Trustees believe they have taken all the necessary steps to make the auditors aware of any relevant audit information and have given the auditors a written undertaking to that effect.

They also believe that they have identified the major risks that the Hospice faces. These have been reviewed, and systems have been put in place to reduce these risks as far as possible.

Auditor

Mazars LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

Fundraising Regulation

Princess Alice Hospice is registered with the Fundraising Regulator and committed to adhering to the Code of Fundraising Practice. We review compliance through audit and monitoring feedback, and take corrective action where required.

Standards and monitoring

Princess Alice Hospice is committed to following the highest ethical standards and ensuring a quality supporter experience. We have detailed policies and procedures in place that in many cases go beyond the minimum requirements for the sector, and we regularly monitor ourselves and our agencies through a range of methods (including regular internal audits and call listening). This helps ensure all Hospice fundraisers, and those who work on our behalf are aware of, and adhere to, our high standards. Some of our fundraising activity is conducted on our behalf, by carefully selected professional fundraising agencies. We also work with agencies to telephone existing supporters to talk about their donation and, on some occasions, to ask for a further donation. We work very closely with our agencies to make sure they represent our work and our organisation to the highest standards. None of our fundraisers, whether employed by us or one of our agencies, are paid on a commission basis.

Complaints

We report our complaints on a calendar year basis to comply with the Fundraising Regulator's requirements. The number of complaints received for the 12 months to 31 March 2020 regarding fundraising was zero.

Managing communications

Most people who donate to us want to know how their money is making a difference. We ask whether they would like us to keep in touch with them so we can update them on our work and how they've helped us. From time to time, we ask supporters if they would like to support us further – for example, by increasing their donation or by taking part in a particular event. Sometimes, we need to share information with authorised people or organisations so they can deliver services. If this is the case, we only give them the information they need to do so – and we always make sure that they will protect information with security and confidentiality processes equivalent to ours.

We ask supporters how they would prefer us to communicate with them. We give them the option to let us know if they prefer less contact or no longer wish to hear from us, and always respect their wishes.

We never share, swap, rent or sell our supporters' details to any other charities or third parties for marketing purposes.

Our Fundraising Promise

We will commit to high standards.

We will be clear, honest and open.

We will be fair and reasonable.

We will be respectful.

For further details please see our privacy policy at www.pah.org.uk/privacy

Principal risks and uncertainties

The Audit and Risk Committee (A&RC) oversees the Hospice's risk management and governance processes on behalf of the Board.

During the year under report, the A&RC implemented its revised Board Main Risks summary and revised strategic registers for each committee. The Main Risk register has six risk areas that impact the Hospice. These act as domains under which the individual committees review specific risks relating to their responsibilities.

This consistent approach helps the A&RC to determine an overall risk rating for the domains informed by the assessment and scoring of the individual committees. A summary status of main risks, and a commentary, is provided for each board meeting by the Chair of A&RC.

The Committee risk registers help us to prioritise risks in terms of the effect they might have and how likely they are to occur. The registers also identify the controls, systems and procedures in place for mitigation. At each committee's meeting their register is reviewed and the A&RC is notified of any significant change in any of the major risk areas.

There is an annual formal review of the risk domains and committee risk registers by the A&RC and the Board.

As part of risk review and management, the Trustees are continuing to assess the business impact of the United Kingdom's decision to leave the EU (Brexit), which is still surrounded by considerable uncertainty. The transition period since the withdrawal agreement of 24 January 2020 has been almost completely overshadowed by the impact of the COVID-19 pandemic. Along with every other charity, corporation and organisation, the Hospice is adjusting its policies and operations to meet these additional challenges, which impact on every main risk area. Each Committee register has a separate risk for Brexit and pandemics, with regular updating of potential impacts and agreed mitigations. The Audit and Risk Committee collates views and presents a summary to the Board for further discussion.

Our Main Risk areas are:

Income – inability to generate sufficient income to deliver our charitable activities. We have diversified our income streams, monitor our finances closely and have an appropriate level of reserves to withstand short term funding fluctuations. If we identify a longer-term trend of falling income, our reserves will ensure continuity of service provision whilst we seek other sources of funding or implement an appropriate cost reduction programme.

From the onset of the COVID-19 pandemic, Trustees have been receiving a weekly update on our cash position.

People – inability to recruit and retain the people with the right skills we need across the organisation. We carry out workforce planning and monitor supply and demand carefully, introducing new roles and diversifying skills and competencies to make scarce resource go further. We have a talent and people strategy which supports effective recruitment, development and retention. We also carry out employee satisfaction and wellbeing surveys.

Culture/morale – inability to align our culture with the changes that we need to make and that are being made in the environment within which we work. The Board and SMT recognise that our people are at the heart of all we do and that it is essential that our employees and volunteers understand what is important to us, our patients and families and the community that we work in. We are open and transparent in our communications, share our business decisions and rationale and take steps to ensure that the organisational strategy is known and understood throughout the organisation. We monitor the effectiveness of these steps by conducting regular employee and volunteer engagement surveys.

Health and Social Care Environment – the risk that changes in the health and social care environment will impact on our NHS funding and/or our ability to continue to deliver palliative and end of life care and support. Senior colleagues work in partnership with health and care professionals and organisations across the local health economy, demonstrating the impact of the care that we deliver. As new structures emerge, we take every opportunity to ensure that we have effective representation and continue to advocate for the needs of patients facing the end of life.

Reputation – risk of reputational damage. As a sector leader, our reputation is of vital importance. We have a comprehensive set of policies and procedures in place to ensure compliance with best practice and legislation. All comments and complaints are promptly responded to and investigated to ensure that lessons are learned for organisational improvement. This is supported by our communications strategy.

Business continuity – risk of fire, flood or other environmental events that impact on our ability to operate. We have a comprehensive business continuity plan in place. This includes contingency plans for maintaining services and operations in the event that the Hospice building is out of use. We have an offsite disaster recovery server which can be brought online very quickly to ensure continued access to patient records and other business critical information. Staff receive regular training on dealing with emergency situations, including evacuation of the premises if necessary. Elements of the plan are tested on a regular basis. Our ability to continue to deliver care and support and maintain our operations while complying with the COVID-19 lockdown and Government advice to have as many colleagues working from home as possible, provided reassurance to the Board.

Approved by the Board of Trustees on 22 July 2020 and signed on its behalf by



Professor Fiona Ross CBE
Chair, Board of Trustees, Princess Alice Hospice

Independent auditor's report

to the members of Princess Alice Hospice

Opinion

We have audited the financial statements of Princess Alice Hospice (the 'charity') for the year ended 31 March 2020 which comprise Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charity and the group's affairs as at 31 March 2020, and of the group's income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the charity's financial statements, which is not modified, we draw your attention to the Trustees' view on the impact of COVID-19 as disclosed on page 10, the consideration given in the going concern basis of preparation on page 19 and post balance sheet events on page 28.

During the latter part of the financial year, there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The impact of COVID-19 is still evolving and, based on the information available at this point in time, the Trustees have assessed the impact of COVID-19 on the charity and reflected the Trustees' conclusion that adopting the going concern basis for preparation of the financial statements is appropriate.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the charity's operations, beneficiaries and the wider economy.

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 when:

- The Trustees' use of the going concern basis of accounting in the preparation of the financial statements are not appropriate; or
- The Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 auditor's 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 inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specific 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 Statement of Trustees' Responsibilities set out on page 12, the Trustees 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 charity'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 charity or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity'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 charity's members 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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

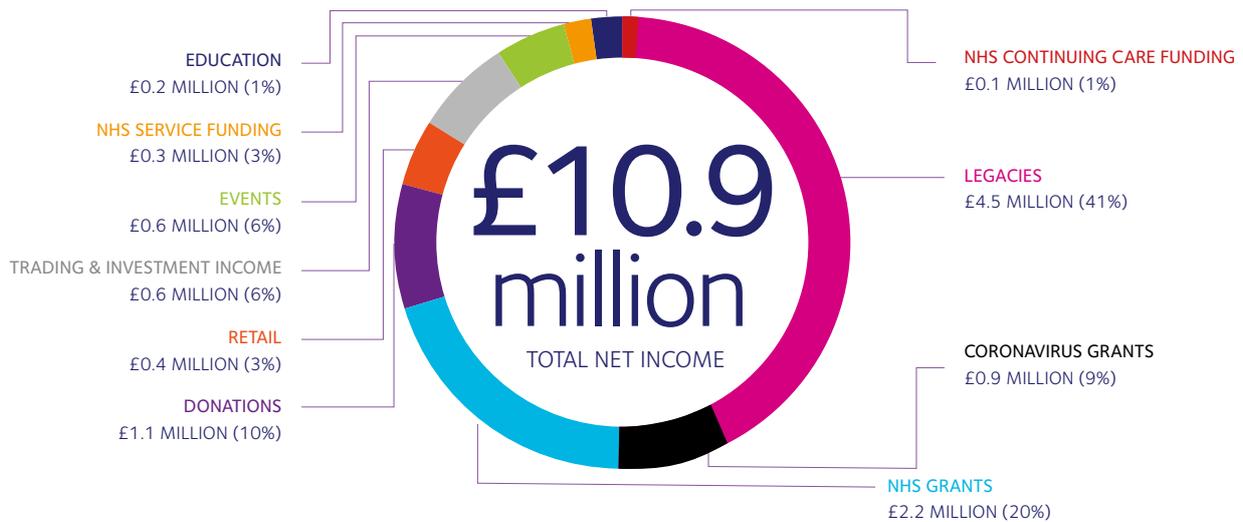


Nicola Wakefield
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
2nd floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS
Date: 28 August 2020

Financial summary

How we raised income

It costs £10.1 million each year to provide our free, high-quality care. As a charity, only 24% of our income comes from the NHS, the rest is generated by fundraising, retail operations, donations and legacies, and it's only the ongoing generous support of our community and beyond that make it possible to do our work.



In the year ended 31 March 2020, we raised £10.9 million net income. The generous support of our donors saw legacy donations of over £4 million in 2019/20.

How we spent the money

In the year ended 31 March 2020, we spent 84 pence of every single pound on providing care and support.



Consolidated statement of financial activities

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020

Consolidated	Notes	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds 2020	Total funds 2019
		£	£	£	£	£	£
INCOME							
Donations and legacies							
Donations	1.4	1,763,374	-	262,417	-	2,025,791	1,888,202
Legacies	1.4	4,498,206	-	-	-	4,498,206	5,065,031
NHS grants	1.4	2,155,956	-	-	-	2,155,956	1,973,896
Other trading activities							
Retail shops	2	5,962,685	-	-	-	5,962,685	6,158,918
Fundraising events	1.4	810,812	-	-	-	810,812	745,758
Trading subsidiaries	3	869,730	-	-	-	869,730	956,146
Investments	1.4	79,449	-	-	1,810	81,259	105,047
Charitable activities							
NHS service funding	1.4	328,944	-	-	-	328,944	254,536
NHS continuing healthcare funding	1.4	119,872	-	-	-	119,872	-
Education	1.4	161,797	-	-	-	161,797	190,415
Other income							
Coronavirus Retail Grants	1.4	835,000	-	-	-	835,000	-
Coronavirus Job Retention Scheme	1.4	51,806	-	-	-	51,806	-
Sundry income	1.4	30,417	-	-	-	30,417	33,350
TOTAL INCOME		17,668,048	-	262,417	1,810	17,932,275	17,371,299
EXPENDITURE							
Expenditure on raising donations and legacies	4	889,993	30,851	-	-	920,844	981,710
Expenditure on other trading activities							
Retail shops	2 & 4	5,611,794	-	-	-	5,611,794	5,644,265
Fundraising events	4	186,747	-	500	-	187,247	222,650
Trading subsidiaries	3 & 4	345,875	-	-	-	345,875	385,392
Total expenditure on raising funds		6,144,416	-	500	-	6,144,916	6,252,307
Expenditure on charitable activities							
In-patient care	4	5,094,822	-	12,991	1,770	5,109,583	5,101,742
Hospice at Home	4	3,477,982	-	63,844	-	3,541,826	3,767,029
Community engagement and support	4	501,293	-	123,756	-	625,049	546,582
Education	4	834,065	-	2,000	40	836,105	885,994
Total expenditure on charitable activities		9,908,162	-	202,591	1,810	10,112,563	10,301,347
TOTAL EXPENDITURE		16,942,571	30,851	203,091	1,810	17,178,323	17,535,364
Net income/(expenditure) before gains/losses		725,477	(30,851)	59,326	-	753,952	(164,065)
Net (losses)/gains on investments	11	(240,820)	-	-	-	(240,820)	461
Net income/(expenditure)		484,657	(30,851)	59,326	-	513,132	(163,604)
Transfer from designated funds	5	(593,339)	593,339	-	-	-	-
Transfer from restricted funds	6	10,251	-	(10,251)	-	-	-
Net movement in funds		(98,431)	562,488	49,075	-	513,132	(163,604)
Reconciliation of funds							
TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL 2019		231,379	14,553,943	41,177	905,041	15,731,540	15,895,144
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2020		132,948	15,116,431	90,252	905,041	16,244,672	15,731,540

Note 5

Note 6

Note 7

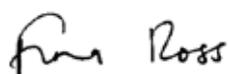
All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. The comparative figures for each fund are shown in the Note 8. The Notes on pages 19 to 28 form part of these financial statements.

Balance Sheets

AS AT 31 MARCH 2020

	Notes	GROUP 2020	GROUP 2019	CHARITY 2020	CHARITY 2019
		£	£	£	£
Fixed assets					
Intangible assets	9	82,702	101,324	82,702	101,324
Tangible fixed assets	10	6,734,873	7,290,912	6,734,873	7,290,912
Investments	11	2,536,839	2,720,650	2,537,939	2,721,750
Total fixed assets		9,354,414	10,112,886	9,355,514	10,113,986
Current assets					
Stock	12	33,811	38,413	-	-
Debtors	13	5,763,017	5,520,185	5,935,174	5,866,131
Cash at bank		2,334,375	1,742,826	2,094,731	1,329,981
Total current assets		8,131,203	7,301,424	8,029,905	7,196,112
Liabilities					
Creditors: amounts falling due within one year	14	(1,141,945)	(1,583,770)	(1,041,747)	(1,479,558)
Net current assets		6,989,258	5,717,654	6,988,158	5,716,554
Total assets less current liabilities		16,343,672	15,830,540	16,343,672	15,830,540
Provisions for liabilities					
Annuity provision	1.9	(99,000)	(99,000)	(99,000)	(99,000)
TOTAL NET ASSETS		16,244,672	15,731,540	16,244,672	15,731,540
The funds of the charity:					
Endowment funds	7	905,041	905,041	905,041	905,041
Restricted income funds	6	90,252	41,177	90,252	41,177
Designated funds	5	15,116,431	14,553,943	15,116,431	14,553,943
Unrestricted funds		132,948	231,379	132,948	231,379
		16,244,672	15,731,540	16,244,672	15,731,540

Approved by the Board of Trustees on 22 July 2020 and signed on its behalf by:



Professor F M Ross CBE
Chair



D. Don-Wauchope
Honorary Treasurer

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020	2019
		£	£
Net income/(expenditure) for the year (as per the statement of financial activities)	b/fwd from p17	513,132	(163,604)
Adjustments for:			
Depreciation and amortisation	9 & 10	669,121	662,171
Net loss/(gain) on investments	11	240,820	(461)
Investment income		(81,259)	(105,047)
Decrease in stock	12	4,602	5,726
(Increase) in debtors	13	(242,832)	(1,482,171)
(Decrease)/Increase in creditors	14	(441,825)	181,156
Cash flows from operating activities			
Net cash (used in)/provided by operating activities		661,759	(902,230)
Cash flows from investing activities			
Investment income		81,259	105,047
(Purchase) of fixed assets	9 & 10	(94,460)	(1,273,631)
Sales of investments	11	681,341	2,359,695
(Purchase) of investments	11	(738,350)	(434,313)
Net cash (used in)/provided by investing activities		(70,210)	756,798
Increase/(decrease) in cash in the year		591,549	(145,432)
Opening balance at bank		1,742,826	1,888,258
Closing balance at bank		2,334,375	1,742,826

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies

1.1 Basis of preparation

These financial statements are 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) – (“Charities SORP” (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) and the Companies Act 2006.

The charitable company, Princess Alice Hospice (the “Hospice”) 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 note(s).

The financial position of the Hospice is set out in the Trustees’ Annual Report. The COVID-19 pandemic did not impact 2019/20 results, as although all of the Hospice’s retail shops closed on 21 March 2020, the impact was offset by government support in the form of the Coronavirus Retail, Hospitality and Leisure Grant Fund (RHLGF) and recovery of furloughed shop staff costs through the Coronavirus Job Retention Scheme (CJRS). (See note 1.4 for more details of these grants)

There will be more impact in 2020/21 but short-term government support received will mitigate the effect on both income and cash flow. The Hospice has benefited from a share of the £200m per quarter emergency NHS capacity funding in the form of grants through Hospice UK. In the quarter to 30 June 2020, the Hospice received £2,302,457 in funding under this emergency scheme.

In addition, in the quarter to 30 June 2020 the Hospice received in full the cash grants of £835,000 from the RHLGF recognised as receivable in 2019/20 and claimed, and was

reimbursed for, £521,721 from the CJRS in respect of employees who were furloughed in that period. The retail shops will also benefit from the business rates holiday announced for 2020/21.

The Hospice is expecting a significant reduction in retail and fundraising income as a result of COVID-19. Cash flow forecasts have been prepared and a range of future scenarios considered. The Trustees are satisfied that, due to the emergency government support received, even under the worst-case scenario considered there are sufficient funds to continue operating and meet liabilities as they fall due.

The Trustees are of the opinion that the Hospice has sufficient money in current bank and building society accounts together with investment funds to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of accounting in preparing these annual financial statements.

1.2 Group financial statements

The financial statements consolidate the results of the Hospice and its wholly-owned subsidiaries PAH Trading Limited and PAH Lottery Limited (“the group”) on a line-by-line basis. A separate Statement of Financial Activities (“SoFA”) and Income and Expenditure Account for the charity has not been presented because the Hospice has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The income of the Hospice was £17,587,317 (2019: £16,985,908) and the expenditure was £16,833,365 (2019: £17,149,973).

TRUSTEES' ANNUAL REPORT 2020

1.3 Fund accounting

Endowment, restricted, designated and unrestricted funds are separately disclosed in the Balance Sheet and in the Consolidated SoFA. These different funds are defined as follows:

- Endowment funds are funds given to the Hospice where it may use only the income generated from investing these funds.
- Restricted funds are subject to specific restrictive conditions imposed by the donor or by the nature of an appeal.
- Designated funds are set aside at the discretion of the Trustees for specific purposes. They would otherwise form part of unrestricted funds.
- Unrestricted funds are available to use at the discretion of the Trustees in furtherance of the charitable objectives of the Hospice.

1.4 Income

The total income receivable in the year comprises donations, legacies, NHS income, income from trading activities, interest, fees from education courses run by the Hospice, coronavirus-related government grants and other sundry income.

Legacies are recognised as income when it can reasonably be assumed that the Hospice is entitled to the legacy and the amount can be estimated with sufficient reliability.

NHS grants are the block grants that the Hospice receives from NHS Surrey Heartlands Clinical Commissioning Group, and NHS South West London Clinical Commissioning Group (the "CCGs"). These are based on historic practice and not related to the level of clinical activity undertaken by the Hospice. They are only agreed for up to one year at a time.

NHS service funding is income received related to the provision of a clinical service, which is normally linked to specific clinical activities undertaken by the Hospice. This may be funding for a new initiative which has been commissioned by a CCG in its care area, such as rapid response night service or a pilot project. Funding is typically received as a percentage contribution towards the total costs.

NHS continuing healthcare funding is income received for patients who are eligible for a continuing care package. These patients are ready for discharge from the in-patient unit but are waiting for a suitable place in a care home or nursing home, or for domiciliary care to be arranged.

The Coronavirus Retail, Hospitality & Leisure Grant Fund was set up by the Government to support businesses with their costs during coronavirus. One-off grants of £10,000 or £25,000, depending on rateable value at 11 March 2020, are payable by Local Authorities for each eligible property. The Hospice is eligible for a grant for each of the retail shops which meets the qualifying criteria. The income from the grant fund has been recognised as receivable in the year ended 31 March 2020, under the accruals basis, as it is for the purposes of providing immediate financial support and there are no future related costs.

The Coronavirus Job Retention Scheme was set up by the Government to support businesses with the employment costs of staff who would otherwise have been laid off or made redundant because the business was severely impacted by the COVID-19 crisis. Announced on 20 March 2020, the Scheme reimburses up to 80% of the employment costs of furloughed employees, subject to a cap of £2,500 per month. The Hospice made a claim in March for £51,806 in respect of retail shop staff who were furloughed after the closure of the shops on 21 March 2020. The income has been recognised as receivable in the year ended 31 March 2020, under the accruals basis, as it is for the purposes of providing immediate financial support and there are no future related costs.

1.5 Donated goods and services

Donated vehicles, plant or furniture are recognised as tangible fixed assets and the corresponding gain recognised as income from donations in the SoFA. Donated facilities or services are likewise recognised as income from donations on the basis of the value of the gift to the Hospice and an equivalent amount recognised as an expense under the appropriate heading in the SoFA.

There were no donations of goods or services in the year ended 31 March 2020 (2019: £Nil). Donated goods for resale are recognised as income when sold and included in income from retail shops in the SoFA. It is not practical to estimate the fair value of these goods on receipt because of the volume of low-value items received and the lack of detailed records.

In accordance with the Charities SORP (FRS 102), general volunteer time is not included as income in the accounts as it is not possible to measure this reliably. However, the Hospice relies on the contribution of volunteers and is very grateful for their time. See page 12 for further details.

1.6 Expenditure

Direct costs comprise expenditure incurred during the year both directly and indirectly

attributable to the activity concerned. Support costs include the cost of governance, housekeeping, catering, facilities and health & safety, people services, marketing and communication, finance and administration and depreciation of fixed assets. These have been allocated to activities on a proportionate basis e.g. by activity level, headcount or on the basis of staff time spent (see Note 4).

1.7 Taxation

As a registered charity, the Hospice benefits from business rates relief from local Councils and is exempt from direct tax on its charitable activities. The Hospice is able to claim back VAT on most of its activities, any irrecoverable VAT is included in the cost of those items to which it relates. Income tax recoverable in respect of donations under Gift Aid and investment income is included with the income to which it relates.

1.8 Intangible and tangible fixed assets

Fixed assets are stated at cost, net of depreciation. Depreciation is provided at rates calculated to write off the cost in equal instalments over the economic life of the asset at the following annual rates:

Intangible assets	20%/33%
Freehold land	0%
Freehold buildings	4%
Leasehold buildings	over the life of the lease
Furniture and equipment	10%
Medical equipment	20%
Motor vehicles	25%
Information and Communication Technology Equipment	20%/33%

Items are treated as fixed assets and their costs capitalised only where the purchase price exceeds £1,000.

Intangible fixed assets are non-monetary fixed assets that do not have physical substance, such as computer software, licences and website development.

The cost of leasehold buildings represents capital expenditure on retail shops and lease acquisition premiums.

1.9 Pension costs

The total employer pension contribution to all schemes for the year ended 31 March 2020 was £634,685 (2019: £605,771). Total contributions of £53,793 (2019: £49,239) were due to be paid after the year end.

NHS Pension Scheme

The Hospice makes payments to the NHS Pension Scheme for former NHS employees who, on employment with the Hospice, are eligible to continue in or re-join the NHS Pension Scheme. The NHS Pension Scheme is an unfunded defined benefit scheme that covers employees of NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State for Health and Social Care in England and Wales, which includes the Hospice. It is not possible to identify the Hospice's share of the underlying assets and liabilities and as a result the NHS Pension Scheme is treated as a defined contribution scheme under FRS102.

The employer contribution payable in the year to the NHS Pension Scheme was £323,179 (2019: £315,000).

Group Personal Pension Scheme

A defined contribution scheme is in operation for eligible employees with contributions payable by both the Hospice and the relevant employees. The assets of these plans are held separately from those of the Hospice, being invested with an insurance company. The current provider of the scheme is Scottish Widows Limited.

The employer contribution payable in the year into the Group Personal Pension Scheme was £213,671 (2019: £218,624).

Auto-enrolment

All employees meeting certain criteria must be enrolled into a workplace pension if they are not already in a qualifying scheme.

The Hospice has chosen the National Employment Savings Trust ("NEST") to meet its auto-enrolment obligations. The employer contribution payable in the year into NEST was £80,849 (2019: £55,436).

Other pension schemes

The Hospice contributed to one other pension scheme (2019: one). This scheme is a defined contribution pension scheme.

Prior to 31 December 2011 it was a defined benefit scheme, which is now closed to new members and also to future accrual of benefits to existing members. It is not possible to identify the Hospice's share of the underlying assets and liabilities and as a result the scheme is treated as a defined contribution scheme under FRS102. However, the scheme is in deficit and the Hospice is paying its share of the deficit on an ongoing basis through its employer contributions at a rate set by the scheme and reviewed annually.

The employer contribution payable in the year into the scheme was £9,613 (2019: £9,411).

Annuities

The Hospice is contracted to pay annual sums for life to two former employees based on a sum of £4,499 per annum in 1998 increased by the Hospice annual salary increase (if any). The sum paid in the year under review was £7,373 (2019: £7,300). This liability is met from income in the year in which it is paid. A provision of £99,000 is retained to cover future unfunded liabilities. The

Trustees consider this provision to be adequate.

1.10 Stock

Stock purchased for sale is valued at the lower of cost and net realisable value.

Stock donated for sale in the Hospice's retail shops is valued at nil.

1.11 Operating leases

The Hospice has entered into various operating leases, the future financial commitment to which is set out in Note 18. Rentals payable under these leases are charged on a straight-line basis over the term of the lease.

1.12 Investments

Listed investments are included in the balance sheet at market value. Realised gains and losses on disposals in the year and unrealised gains and losses on investments at the balance sheet date are included in the Consolidated Statement of Financial Activities. The movement in the valuation of investments during the year is set out in Note 11.

2. Retail shops results

	2020	2019
	£	£
*Turnover	5,962,685	6,158,918
Less cost of operations	(5,611,794)	(5,644,265)
Net contribution	350,891	514,653

*Turnover includes £1,992,832 (2019: £1,944,564) of donations and associated Gift Aid of £498,208 (2019: £486,141) from the retail Gift Aid scheme. This scheme involves PAH Trading Limited selling goods on behalf of supporters ("Agency Sales") in the Hospice's retail shops and the supporters then donating the proceeds of the Agency Sales to the Hospice under Gift Aid. The results of the retail shops have been impacted by the coronavirus crisis. All shops were closed at the end of trading on Saturday March 21 2020. Retail shop staff were furloughed and the Hospice was able to recover £51,806 through the Government's coronavirus job retention scheme in respect of 80% of their salary costs for the period 22 March 2020 to 31 March 2020. This is shown under "other income" in the Statement of Financial Activities (page 17).

3. Trading subsidiaries

The Hospice has two wholly owned subsidiaries which are incorporated in the UK for the purposes of generating income for the Hospice's charitable purposes. The whole of their taxable profit is donated to the Hospice under a Deed of Covenant within nine months of the year end. The specific activity of each of the trading subsidiaries is: PAH Trading Limited – sells new and promotional goods, as well as receiving commission on Agency Sales, provides catering services for the benefit of the Hospice and external users and undertakes other sundry trading activities; PAH Lottery Limited – operates lotteries.

	PAH Trading Ltd	PAH Lottery Ltd	Total 2020	Total 2019
	£	£	£	£
Profit and loss accounts				
Turnover	307,980	561,750	869,730	955,954
Interest received	-	-	-	191
Income	307,980	561,750	869,730	956,145
Cost of sales	(175,385)	(104,520)	(279,905)	(301,076)
Direct overheads	-	(43,092)	(43,092)	(43,224)
Administrative expenses	(10,883)	(34,068)	(44,951)	(64,918)
Expenses	(186,268)	(181,680)	(367,948)	(409,218)
Net profit	121,712	380,070	501,782	546,927
Amount covenanted to the Hospice	(121,712)	(380,070)	(501,782)	(546,927)
Retained in subsidiary	-	-	-	-
Previous year net profit (all covenanted to the Hospice)	124,074	422,853	546,927	-
Shareholder's funds				
Share capital (issued)	100	1,000	1,100	1,100

4. Total expenditure

	Direct costs	Support costs (see note 1.6)	Total 2020	Total 2019
	£	£	£	£
In-patient care	3,227,224	1,882,359	5,109,583	5,101,742
Hospice at home	2,874,829	666,997	3,541,826	3,767,029
Community engagement and support	413,231	211,818	625,049	546,582
Education	498,502	337,603	836,105	885,994
Raising donations and legacies	452,565	468,279	920,844	981,710
Fundraising events	187,247	-	187,247	222,650
Retail shops	5,455,922	155,872	5,611,794	5,644,265
	13,109,520	3,722,928	16,832,448	17,149,972
Trading subsidiaries	345,875	-	345,875	385,392
	13,455,395	3,722,928	17,178,323	17,535,364

	Basis of apportionment	Group 2020	Group 2019
		£	£
Analysis of support costs:			
Governance	Time spent	31,683	35,509
Housekeeping	Time spent	536,061	539,018
Catering	Resource allocated	291,017	309,405
Facilities and health & safety	Resource allocated	408,034	415,956
People services and volunteers	Resource allocated	336,275	365,742
Information technology	Time spent	216,003	212,430
Marketing and communication	Resource allocated	318,079	434,889
Digital and data	Time spent	224,491	-
Executive, finance and administration	Time spent	760,814	820,916
Amortisation/depreciation (excluding retail)	Resource allocated	600,471	575,414
		3,722,928	3,709,279

	Group 2020	Group 2019
	£	£
The above figures include:		
Auditor's remuneration		
- statutory audit	16,961	15,504
- other services	3,799	2,564
Operating lease rentals:		
For charitable activities:		
Equipment	27,059	24,217
For raising funds:		
Leasehold retail shops	1,601,256	1,608,102
Depreciation of owned assets	669,121	662,171

5. Designated funds

GROUP AND HOSPICE

	Balance 2019	Expenditure	Net Transfers	Balance 2020
	£	£	£	£
Fixed Asset Equalisation Fund	7,392,236	-	(574,661)	6,817,575
Running Costs Reserve	6,680,000	-	1,168,000	7,848,000
Strategic Development Reserve	447,409	(30,851)	-	416,558
Staff wellbeing fund	34,298	-	-	34,298
	14,553,943	(30,851)	593,339	15,116,431

The designated funds are made up of the following:

The Fixed Asset Equalisation Fund represents the net book value of tangible fixed assets used for charitable purposes. This assists in identifying funds which are not free for the Trustees to use. The transfer of £574,661 out to (2019: £611,460 in from) unrestricted funds represents the difference between net capital expenditure and depreciation.

The Running Costs Reserve has been set up by the Trustees in recognition of the need for adequate reserves to meet future charitable expenditure in the event of a significant short-term drop in income and the Trustees are targeting a level of 9 months +/- 3 months budgeted charitable expenditure. A transfer of £1,168,000 (2019: £380,000) has been made in from unrestricted funds. The balance on this fund at the year end is 9 months (2019: 8) of the Hospice's budgeted charitable expenditure for 2020/21.

The Strategic Development Reserve has been established to support the delivery of the Hospice's five-year strategy for 2017 - 2022. Expenditure of £30,851 (2019: £153,508) was incurred during the year on investment in income generation.

The Staff Wellbeing Fund has been established to enable the Senior Management Team to fund initiatives to improve workforce wellbeing and engagement. No expenditure (2019: £18,887) was incurred during the year.

6. Restricted funds

GROUP AND HOSPICE

	Balance 2019	Income	Expenditure	Transfers	Balance 2020
	£	£	£	£	£
Ward equipment fund	13,144	14,535	(8,699)	(10,251)	8,729
Children in Need project	-	36,304	(36,304)	-	-
Community Choir	1,500	-	-	-	1,500
Bereavement Service	11,867	42,805	(51,486)	-	3,186
Day Hospice	570	2,443	(102)	-	2,911
Rapid response nurse	-	50,000	-	-	50,000
Enhanced support service	7,457	65,315	(56,086)	-	16,686
Advance care planning	-	24,694	(24,694)	-	-
Compassionate neighbours	1,692	15,400	(11,272)	-	5,820
Other Funds	4,947	10,921	(14,448)	-	1,420
	41,177	262,417	(203,091)	(10,251)	90,252

The policy of the Trustees is to treat donations given for specific purposes as Restricted Funds until properly expended.

The funds shown are those which were directed by donors to be used for specific purposes and are unexpended at 31 March 2020. These funds will be used in accordance with the directions of the donors in a subsequent accounting period.

Transfers represent items purchased as fixed assets where the restriction is expended on purchase of the asset.

7. Endowment funds

GROUP AND HOSPICE

	Balance 2019	Income	Expenditure	Balance 2020
	£	£	£	£
The Edwin Stevens fund	40,000	80	(80)	40,000
The D.J. Squires "Love of Roses" fund	20,000	40	(40)	20,000
The June Daphne Allen fund	845,041	1,690	(1,690)	845,041
	905,041	1,810	(1,810)	905,041

The Edwin Stevens fund relates to a permanent capital contribution received on establishment of the Hospice.

The D.J. Squires Love of Roses fund was established in 1996, the income from which is to be used for the research and advance of palliative care.

The June Daphne Allen fund was created by the conditions of a legacy received in July 2001, the income from which is to be used for the general purposes of the Hospice.

All income arising from these funds was expended during the year.

8. Comparative results for each group of funds

Year ended 31 March 2019	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds 2019
	£	£	£	£	£
INCOME					
Donations	1,726,952	-	161,250	-	1,888,202
Legacies	5,065,031	-	-	-	5,065,031
NHS grants	1,973,896	-	-	-	1,973,896
NHS service funding	254,536	-	-	-	254,536
Education	190,415	-	-	-	190,415
Retail shops	6,158,918	-	-	-	6,158,918
Fundraising events	745,758	-	-	-	745,758
Trading subsidiaries	956,146	-	-	-	956,146
Investments	98,802	-	-	6,245	105,047
Other	33,350	-	-	-	33,350
TOTAL INCOME	17,203,804	-	161,250	6,245	17,371,299
EXPENDITURE					
Raising donations and legacies	928,312	53,398	-	-	981,710
Retail shops	5,644,265	-	-	-	5,644,265
Fundraising events	222,650	-	-	-	222,650
Trading subsidiaries	385,392	-	-	-	385,392
In-patient care	5,090,496	1,511	3,640	6,095	5,101,742
Hospice at Home	3,576,606	110,751	79,672	-	3,767,029
Community engagement and support	432,611	6,735	107,236	-	546,582
Education	885,844	-	-	150	885,994
TOTAL EXPENDITURE	17,166,176	172,395	190,548	6,245	17,535,364
Net gains on investments	461	-	-	-	461
Net income/(expenditure)	38,089	(172,395)	(29,298)	-	(163,604)
Transfer from designated funds	(367,820)	367,820	-	-	-
Transfer from restricted funds	20,734	-	(20,734)	-	-
Net movement in funds	(308,997)	195,425	(50,032)	-	(163,604)

9. Intangible assets

		Total 2020
Cost		£
At 1 April 2019		375,317
Purchases		34,220
At 31 March 2020		409,537
Amortisation		
At 1 April 2019		273,993
Charge for year		52,842
At 31 March 2020		326,835
Net book value		
At 31 March 2020		82,702
At 31 March 2019		101,324

10. Tangible Fixed assets

GROUP AND HOSPICE

	Freehold land	Freehold buildings	Leasehold buildings	Furniture, equipment and vehicles	Total 2020
Cost or valuation	£	£	£	£	£
At 1 April 2019	71,586	12,140,020	509,405	2,093,525	14,814,536
Purchases	-	28,850	14,824	16,566	60,240
Disposals	-	-	-	(23,124)	(23,124)
At 31 March 2020	71,586	12,168,870	524,229	2,086,967	14,851,652
Depreciation					
At 1 April 2019	-	5,885,839	125,815	1,511,970	7,523,624
Charge for year	-	435,377	63,468	117,434	616,279
Disposals	-	-	-	(23,124)	(23,124)
At 31 March 2020	-	6,321,216	189,283	1,606,280	8,116,779
Net book value					
At 31 March 2020	71,586	5,847,654	334,946	480,687	6,734,873
At 31 March 2019	71,586	6,254,181	383,590	581,555	7,290,912

11. Investments

	2020	2019
Marketable investments	£	£
Market value at start of year	2,720,650	4,645,571
Net additions at cost	738,350	434,313
Disposals at market value	(681,341)	(2,359,695)
Net (loss)/gain on revaluation/disposal	(240,820)	461
Market value at 31 March	2,536,839	2,720,650
Trading subsidiaries (see Note 3)	1,100	1,100
TOTAL INVESTMENTS	2,537,939	2,721,750
Cost at 31 March	2,368,961	2,200,237

	2020	2019
Marketable investments comprise:	£	£
Equities	1,179,873	1,376,642
Fixed Income	418,388	199,597
Other securities (absolute return funds, multi-asset funds, property funds, etc)	863,252	987,952
Short term deposits and cash	75,326	156,459
	2,536,839	2,720,650

12. Stock

	2020	2019
	£	£
Stock of promotional and new goods. (All stock is held by PAH Trading Limited)	33,811	38,413

13. Debtors

	Group 2020	Group 2019	Hospice 2020	Hospice 2019
	£	£	£	£
Operating debtors	270,902	112,427	266,644	96,487
Accrued legacy income	3,726,784	4,579,427	3,726,784	4,579,427
Gift Aid recoverable	109,107	104,894	109,107	104,894
Retail rents prepaid	391,689	397,560	391,689	397,560
Insurance pre-paid	98,488	91,960	98,488	91,960
Coronavirus Retail Grants	835,000	-	835,000	-
Coronavirus Job Retention Scheme	51,806	-	51,806	-
Other debtors and prepayments	279,241	233,917	269,354	235,740
Amounts due from subsidiaries	-	-	186,302	360,063
	5,763,017	5,520,185	5,935,174	5,866,131

14. Creditors - Amounts falling due within one year

	Group 2020	Group 2019	Hospice 2020	Hospice 2019
	£	£	£	£
Taxation and social security costs	242,123	252,053	242,123	252,053
Salaries and holiday pay	65,829	32,496	65,829	32,496
Operating creditors	427,070	508,472	425,512	486,009
NHS grants paid in advance	-	461,176	-	461,176
Other creditors and accruals	406,923	329,573	308,283	247,824
	1,141,945	1,583,770	1,041,747	1,479,558

15. Staff remuneration

	2020	2019
Costs	£	£
Salaries	10,636,598	10,657,043
Employer's National Insurance	927,767	924,261
Pension costs	634,685	605,771
Apprenticeship Levy	38,067	37,773
Agency staff	121,007	112,136
Recruitment and training expenses	78,411	131,222
Subsidiary companies staff costs	43,092	43,224
	12,479,627	12,511,430

15. Staff remuneration continued

	GROUP			
	2020 Headcount	2020 FTE	2019 Headcount	2019 FTE
Average number of employees				
In-patient unit	66	54	67	55
Hospice at home	58	43	60	47
Community engagement and support	11	10	14	13
Consultants and doctors	8	7	7	6
Clinical administration	16	12	18	14
Therapies	7	4	9	5
Housekeeping	21	15	20	15
Other support services	33	29	26	22
Education	10	8	9	7
Marketing and communication	8	7	8	7
Fundraising	16	13	18	15
Retail	179	124	181	124
Executive and finance	10	8	10	8
	443	334	447	338

	2020	2019
The number of employees whose earnings (excluding employer's pension contributions) fell into the bands below were:	No.	No.
£60,000 to £69,999	6	5
£70,000 to £79,999	4	3
£90,000 to £99,999	*2	*2
£140,000 to £149,999	1	1

*The pay of the Chief Executive falls within this band.

The Hospice directly employs medical consultants and doctors paid on NHS scales who are included in the numbers above.

The key management personnel of the Hospice are the Trustees and the Senior Management Team ("SMT"). The SMT comprises the Chief Executive, Medical Director, Director of Patient Care and Strategic Development, Director of Fundraising, Marketing and Communication, Director of Finance and Operations, Director of People and Communities and Retail Director. They are subject to the same terms and conditions as other members of staff and do not receive any additional employee benefits. They are only reimbursed for expenses wholly and necessarily incurred for business purposes in accordance with Hospice policy. The total employee benefit (salary and employer's pension contribution) received by the SMT was £659,074 (2019: £601,871)

The Trustees are the directors for the purposes of the Companies Act 2006 and, as required by the Articles of Association, are the members of Princess Alice Hospice, a Company limited by Guarantee. They receive no remuneration. During the year to 31 March 2020 they were not reimbursed for any expenses (2019: nil).

A payment of £14,752 (2019: £11,833) was made to one ex-employee (2019: one) under a settlement agreement. An aggregate payment of £100,422 (2019: £30,298) was made to 7 (2019: 3) employees on redundancy, comprising statutory redundancy pay and notice pay.

16. Related party transactions

During the year ended 31 March 2020, the aggregate amount of donations received from Trustees and their close family members, the SMT and their spouse/partner was £11,058 (2019: £14,380).

The Trustees volunteer their time to attend internal and external meetings, provide support and advice to the SMT attend Hospice events and represent the Hospice at external events. The Trustees estimate that during the year they donated over 2,000 hours of time in aggregate.

Gail Cookson, Trustee, is an International Director of WPN Chameleon a company providing direct marketing services. During the reporting period WPN Chameleon provided direct marketing services to the Hospice of £4,821 (2019: £26,330). There was no balance outstanding at 31 March 2020 (2019: £9,421).

During the year to 31 March 2020 the Hospice invoiced PAH Trading Limited for £8,886 (2019: £8,446) for the use of retail shop facilities to sell goods on behalf of supporters (Agency Sales) and £13,187 (2019: £15,381) for the preparation of sandwiches to sell in the coffee shop.

17. Analysis of net assets between funds

	GROUP					
	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total 2020	Total 2019
	£	£	£	£	£	£
Fixed assets	-	6,817,575	-	-	6,817,575	7,392,236
Investments	-	1,631,798	-	905,041	2,536,839	2,720,650
Current assets	1,373,893	6,667,058	90,252	-	8,131,203	7,301,424
Current liabilities	(1,141,945)	-	-	-	(1,141,945)	(1,583,770)
Annuity provision	(99,000)	-	-	-	(99,000)	(99,000)
	132,948	15,116,431	90,252	905,041	16,244,672	15,731,540

18. Other financial commitments

	Retail shops 2020	Retail shops 2019	Equipment 2020	Equipment 2019
At 31 March 2020 the Group was committed to making the following payments under non-cancellable operating leases:	£	£	£	£
Operating leases which expire:				
Within 1 year	1,474,796	1,419,946	3,292	3,228
Within 2 to 5 years	3,434,822	3,722,003	54,119	34,327
After 5 years	1,347,952	1,397,880	-	-
	6,257,570	6,539,829	57,411	37,555

19. Post balance sheet events

COVID-19 has continued to impact the Hospice after 31.03.20. The retail shops remained closed until 2 July 2020 then began a phased re-opening. All shops should be open COVID-secure by September. The longer term impact on high street sales is still unknown. Face to face fundraising events were put on hold, but activity moved online and the fundraising team engaged with supporters very successfully via social media. It is hoped to build on this success with a blend of digital and face to face fundraising as restrictions are relaxed. The Compassionate Care Continues appeal launched in March and exceeded expectations. Although fundraising income for the year is expected to be impacted results for April and May have exceeded budget. The Hospice has received additional government support through NHS emergency capacity funding grants via Hospice UK and the Coronavirus Job Retention Scheme.

20. Simplified Income & Expenditure Statement

	Notes	Group 2020	Group 2020		Group 2019	Group 2019	
		£	£		£	£	
INCOME							
NHS grants	1.4		2,155,956	20%		1,973,896	19%
Voluntary income							
Legacies	1.4		4,498,206	41%		5,065,031	50%
Donations	1.4	2,025,791			1,888,202		
Cost of generating voluntary income	4	(920,844)			(981,710)		
			1,104,947	10%		906,492	9%
Fundraising events	1.4	810,812			745,758		
Cost of fundraising events	4	(187,247)			(222,650)		
			623,565	6%		523,108	5%
Trading subsidiaries	3	869,730			956,146		
Cost of trading subsidiaries	3	(345,875)			(385,392)		
			523,855	5%		570,754	6%
Retail							
Retail income	2	5,962,685			6,158,918		
Cost of retail	4	(5,611,794)			(5,644,265)		
			350,891	3%		514,653	5%
Investment income	1.4		81,259	1%		105,047	1%
NHS service funding	1.4		328,944	3%		254,536	3%
NHS continuing healthcare funding	1.4		119,872	1%		-	
Education	1.4		161,797	1%		190,415	2%
Coronavirus Retail Grants	1.4		835,000	8%		-	
Coronavirus Job Retention Scheme	1.4		51,806	0.5%		-	
Sundry income	1.4		30,417	0.3%		33,350	0.3%
NET INCOME			10,866,515	100%		10,137,282	100%
EXPENDITURE							
Charitable activities							
In-patient care	4	(5,109,583)		51%	(5,101,742)		49%
Hospice at Home	4	(3,541,826)		35%	(3,767,029)		37%
Community engagement and support	4	(625,049)		6%	(546,582)		5%
Education	4	(836,105)		8%	(885,994)		9%
			(10,112,564)			(10,301,347)	
TOTAL EXPENDITURE			(10,112,564)	100%		(10,301,347)	100%
Operating Surplus/(deficit)			753,952			(164,065)	

Who's who

Trustees

Professor Fiona Ross CBE
Chair

Fiona has been a nurse, academic and manager. She was formally Dean at Kingston University and St George's, University of London, she is also a Governor of Westminster University.

Sean Watson
Vice Chairman

Sean is a consultant to City law firm CMS Cameron McKenna, where he was until recently a partner. He is also a Non-Executive Director of Argus Media.

Despina Don-Wauchope
Honorary Treasurer

Despina is a Chartered Management Accountant and has more than 30 years' experience working for a number of FTSE100 companies.

Gail Cookson

With over 30 years' experience in fundraising, Gail has been a director of WPN Chameleon for 17 years.

Professor Sean Hilton

Sean is Emeritus Professor at St George's, University of London. He was a GP partner for 30 years in Kingston upon Thames.

Andrew Jennings

Andrew is retired following a career as a Chartered Accountant in the City where he spent over 30 years in International Law management.

Jeannine Nolan

Jeannine has over 30 years' experience in the healthcare communications sector, working with leading pharmaceutical companies and global agencies.

Dr Heather Patel

Heather is a recently retired GP with 35 years' experience. Her practice was in Claygate where she worked closely with the Princess Alice Hospice on behalf of her patients.

Karen Roberts

Karen has over 25 years' experience of managing Human Resources in global companies, specialising in talent management and workforce planning.

Christopher Roshier

Christopher is a retired chartered accountant with 20 years' experience working in the City as a merchant/ investment banker.

Dr Peter West

Peter is a health economist with over 40 years' experience working for consulting groups, universities and government agencies across the world.

Jane Formby MBE

Honorary President
Jane has been involved with the Hospice for over 30 years as a founding Trustee and volunteer.

Committee Advisory Members

Rob Aldous

Duncan Barton

Jon Cunliffe

Veronica Eagles

Mary Houghton

Jamie Tolentino-Deludet

Martin Price

Tim Moody

Senior Management Team

Nicki Shaw

Chief Executive

Professor Craig Gannon

Medical Director

Diane Rickwood

Director of Finance and Operations and Company Secretary

Nigel Seymour

Director of Digital, Marketing, Communications and Performance (from 1 April 2020)

Director of Fundraising, Marketing and Communications (to 31 March 2020)

Lesley Spencer

Director of Patient Care and Strategic Development

Angela Grimes

Director of Income Generation (from 1 April 2020)

Phil Seal

Retail Director (to 3 April 2020)

Zoe Byrne

Director of People and Communities (to 31 March 2020)

Advisors

Cazenove Capital Management

1 London Wall Place, London EC2Y 5AU

Mazars LLP

2nd Floor,

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS

Barclays Corporate

Ranger House, Walnut Tree Close, Guildford, Surrey GU1 4UL

Special thanks to...

Trusts

- The Albert Hunt Trust
- The Ann Jane Green Trust
- The Annandale Charitable Trust
- Anthony & Elizabeth Mellows Charitable Settlement
- The Ardwick Trust
- BBC Children In Need
- The Bookhams, Fetcham & Effingham Nursing Association
- The Brock Webb Trust
- Charity Of Stella Symons
- Community Foundation For Surrey
- The Dandy Charitable Trust
- David & Ruth Lewis Family Charitable Trust
- The Snr Denton UK Llp Charitable Trust
- The Diana Edgson Wright Charitable Trust
- E K & D Wright Trust
- Edwin George Robinson Charitable Trust
- The Elizabeth Frankland Moore And Star Foundation
- The Erica Leonard Trust
- Farrer-Brown Charitable Trust
- The February Foundation
- The G E Birtwistle Memorial Trust
- The Gerald Bentall Charitable Trust
- The Girdlers Company
- The Hall Charitable Trust
- Hamamelis Trust
- Hampton Fund
- Hargrave Foundation For A Brighter Future
- Holloway Charitable Trust
- Hospice UK
- The Ingram Trust
- Institute Of Our Lady Of Mercy
- The James Wise Charitable Trust
- Jane Gibson Charitable Trust
- The John Laing Charitable Trust
- John Lewis Partnership - Peter Jones
- The Joseph Strong Frazer Trust
- Kingston Nursing Association
- Kobler Trust
- Lockwood Charitable Foundation
- London Aged Christian Society
- The Lynn Foundation
- The Margaret And David Walker Trust
- Maximus Foundation
- The Michael & Anna Wix Charitable Trust
- The Millennium Oak Trust
- The Orr Mackintosh Foundation
- Richmond Parish Lands Charity
- The Rowan Bentall Charitable Trust
- The Rozel Trust
- The Shirley & Ian Watson Charitable Trust
- Sir Edward Lewis Foundation
- Spelthorne Borough Council
- Surrey Provincial Charity Fund
- Tarcy Charitable Trust
- Tesco Charity Trust
- The Vernon N Ely Charitable Trust
- Walton On Thames Charity
- The William Allen Young Charitable Trust

Masons

- Addlestone Lodge 5222
- Elmbridge Lodge L5838
- Ernest Etherington Lodge 10266
- Good Companions Lodge Of Instruction L7524
- Lovekyn Chantry Lodge No 6807
- Malines Lodge 8740
- Masonic Charitable Foundation
- Mid Surrey Lodge 3109
- Noel Chapter No 2444 Of Royal Arch Masons
- Nonsuch Park Chapter
- The Popesgrove Lodge
- Southborough Lodge
- St Georges Esher Lodge
- Surbiton Lodge No 2146
- The Oddfellows Mid-Surrey
- Wickham Lodge No 1924
- Wyke Green Lodge Of Instruction No 8208





Contact us

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