



Company number: 2805007  
Charity number: 1022119

# **Havens Christian Hospice Report & Financial Statements 31 March 2017**

Havens Christian Hospice is registered in England and Wales as a company limited by guarantee  
Registered address; Stuart House, 47 Second Avenue, Westcliff-on-Sea, Essex SS0 8HX  
Company Number 2805007 VAT Registration Number 194 8870 48

Incorporating Fair Havens Hospice and Little Havens Hospice  
Registered Charity Number 1022119



Registered with  
**FUNDRAISING  
REGULATOR**



**EVERY ONE OF US  
MAKING EVERY  
DAY COUNT**

# Havens Christian Hospice

## Reference and administrative details

For the year ended 31 March 2017

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<b>Status</b>	The organisation is a charitable company limited by guarantee, incorporated on 30 March 1993 in the UK and registered as a charity in England & Wales on 2 June 1993	
<b>Company number</b>	2805007	
<b>Charity number</b>	1022119	
<b>Registered office and operational address</b>	Stuart House 47 Second Avenue Westcliff-on-Sea Essex SS0 8HX	
<b>Other trading names</b>	<i>Havens Hospices, Fair Havens, Little Havens, The Heath Centre, Leaves of Life and (since 1 April 2017) The J's Hospice and The J's at Havens</i>	
<b>Trustees</b>	The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:	
	Mr J Bobin	a. Resigned May 2016
	Mr R DeCristofano	
	Mr D Forster JP	Chairman - retired as a trustee November 2016
	Mr B Gillard	c. Vice chairman from November 2016
	Mr T Harding FCA	c. Appointed November 2016
	Ms R Morris	a.
	Revd C Pegler	c.
	Mr R Player	Vice chairman to November 2016, Chairman from November 2016
	Mr R Ramm MBE JP AAIA	a. Honorary treasurer
	Mr D Rensch MBE DL	b. Retired as a trustee November 2016
	Mrs M Robert Smith	Appointed January 2017
	Mr B Terry MBA	c.
	Dr J Thorp	
	a.	<i>Also a Director of Havens Hospices Trading Company Ltd during the year</i>
	b.	<i>Also a Director of Havens Development Company Ltd during the year</i>
	c.	<i>Also a Director of The J's Hospice after the balance sheet date</i>
<b>Secretary</b>	Mr A Smith MA	
<b>Key management personnel</b>	Mr A Smith MA	Chief executive officer
	Mrs J Bliss ACA BA (Hons)	Director of finance
	Ms H Forster, RGN Dip H, RM BSc (Hons) LLM	Director of care and executive nurse
	Mr T Johnson	d. Director of trading and human resources
	Ms V Longley BA (Hons) CAM (Dip)	Director of fundraising and marketing
	Mr S Smith BA (Hons) MAPM	Director of facilities and new Fair Havens
	d.	<i>Appointed a Director of Havens Hospices Trading Company Ltd in May 2017</i>

# Havens Christian Hospice

## Reference and administrative details

For the year ended 31 March 2017

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<b>Principal bankers</b>	National Westminster Bank plc South Essex Commercial Office 3rd Floor Phoenix Place Christopher Martin Road Basildon Essex SS14 3GQ
<b>Investment managers</b>	Investec Wealth and Investment Limited 2 Gresham Street London EC2V 7QN
<b>Principal solicitors</b>	Todmans SRE Barringtons Hockley Road Rayleigh Essex SS6 8EH
<b>Auditors</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL

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## VISION STATEMENT

*“Inspired by God’s love and compassion, our Vision is a time when the care we provide is available whenever and wherever it is needed.”*

## MISSION STATEMENT

*“Our Mission is to ensure everyone affected by a life-limiting disease and those who are important to them receive the hospice care they need to make every day count.”*

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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The trustees present their report and the audited financial statements for the year ended 31 March 2017.

The financial statements comply with the current statutory requirements, the charity's Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with financial reporting standard *FRS 102*. The reference and administrative information set out on pages 2 and 3 forms part of this report.

## Objectives and core charitable activities

### Purposes and aims

The trustees regularly review the aims, objectives and activities of the charity. As set out in the charity's governing documents, the object of the organisation is to provide care and support to people of all ages who have a chronic, life limiting or terminal condition, or are suffering from any disability or disease, and to support their families, relatives and loved ones. In pursuing this object, the trustees may also carry out such charitable purposes as, in their absolute discretion, they determine to be appropriate.

The organisation fulfils its object by means of the services it provides through Fair Havens and Little Havens hospices, across a range of in-patient and community based services. Fair Havens provides care to the local adult populations in Southend, Shoeburyness, Castle Point and Rochford, Canvey Island and Rayleigh. Little Havens provides care and support to children and their families in South and Mid Essex. Through the provision of this care, the organisation aims to demonstrate something of God's love and compassion to people at their time of greatest need, at no cost to them or their families. Such care is provided to people of any faith and equally to those who profess no faith. Further details of the care delivered by the charity are set out in pages 5 and 6 of this report.

The trustees' Vision and Mission Statements are set out on page 3. In addition, the trustees have adopted the following Strategic Values:

<b>The care we provide</b>
However young or old you are, whatever your background or nationality and regardless of the faith (if any) you profess, if you are living with a life-limiting condition, or approaching the end of your life, we will help care for you.
Our care is unique to you and your needs: it is centred on your physical, emotional, psychological, social and spiritual health and wellbeing, and includes the people who are important to you.
Wherever possible, we will care for you in the place you want to be looked after and, when the time comes, where you want to die; and we will continue to support the people who are important to you, as they go through bereavement.
Our care, wherever you receive it, will not cost you a penny.

<b>How we provide our care</b>
Our care follows best practice and we actively contribute to the growing knowledge and to new, innovative approaches in hospice care, in response to the needs of today's ever-changing society.
We are proactive in identifying specific aspects of our care that we should develop, expand or enhance.
We are the local champions of hospice care and actively work with other local, regional and national services to help ensure children, young people, adults and the elderly receive the care and support they require.

<b>How our care is made possible</b>
Our care is made possible by the tremendous generosity and good will of thousands of people in our local community and beyond.
Every member of staff and every volunteer plays a vital role in making the care we provide possible and we ensure they are fully confident and competent to fulfil their roles.
We recognise that the resources we receive are given to us in trust for the care of others and that we must manage them to best effect to fund our services, safeguard their sustainability and provide investment for their future development.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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This report looks at what the charity has achieved and the outcomes of its work during the year under review, looking in particular at the success of each key activity and the benefits that the charity has brought to those groups of people that the hospice exists to serve. This review also helps the trustees to ensure that the charity's aims, objectives and activities remain focused on its core purposes.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, and in planning the hospices' future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set, and to meeting the core charitable object enshrined in the organisation's governing documents.

As a result of their review, the trustees are confident that the activities carried out by the charity in the year under review have been undertaken for the public benefit of all persons served by the hospices, in delivering a wide range of services to those in need.

### Use of volunteers

Of the organisation's 911 volunteers, 491 work in its 23 charity shops and trading warehouse, with a typical shop having two members of paid staff and, depending on size, an average pool of some 21 volunteers. Volunteers also support paid staff in all areas of the organisation, including care areas, reception, kitchens, gardens, fundraising, administration and finance. The trustees pay tribute to their invaluable contribution, carrying out essential tasks to enable the organisation to function in an effective and professional way. The number of volunteers disclosed here includes the trustees, some of whom are also directors of the charity's subsidiary companies (see page 2).

The charity estimates that, in the year to March 2017, its volunteers gave some 175,000 hours of time, which - using the valuation method advised by the National Council for Voluntary Organisations - contributed an economic saving to the charity of around £2,400,000.

The charity has been proud to hold Investors in Volunteers (IiV) accreditation since April 2015, an award given only to organisations which can demonstrate that they place volunteers at the heart of what they do, treating them as equals to paid staff and ensuring they are truly valued. The charity also holds The Queen's Golden Jubilee Award for volunteer services.

## Strategic report

### Services provided

Every year, hospices across the UK provide expert care and support to around 200,000 adults, as well as their friends and families. It is estimated that 49,000 children in the UK are also living with conditions that are life-limiting or life-threatening.

These conditions cover a wide range of illnesses, from cancer, motor neurone disease, cardio-vascular diseases, multiple sclerosis and cystic fibrosis. Increasingly, hospices are caring for people with more than one condition, including dementia. The World Health Organisation describes palliative care as "an approach that improves the quality of life for patients and their families facing the problem associated with life-threatening illness, through the prevention and relief of suffering by means of early identification and impeccable assessment and treatment of other pain and other problems: physical, psychological and spiritual."

The trustees, executives and staff of Havens Hospices are proud to be part of this movement, "making every day count" for the hospice's patients, children and their families. Havens believes that hospice care should be accessible to whoever needs it when they need it, be personalised to reflect their personal preferences for the entire duration of their journey, and should be delivered at no cost to patients or their families.

Fair Havens provides care for adults who live in Southend, Shoeburyness, Castle Point and Rochford, Canvey Island and Rayleigh. In November 2016, the charity brought in house the hospice at home service that was previously provided in partnership with SPDNS Nurse Care (a community interest company), with relevant staff being TUPE'd across from SPDNS to Havens Hospices.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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Little Havens cares for children and young people with life limiting conditions living across the majority of Essex. As the lead commissioner, Little Havens co-commissions - with the Essex Clinical Commissioning Groups (CCGs) - community services for children and young people. These services are delivered in the service users' own homes from the community interest company *Provide* (the trading name of *Central Essex Community Services*). The service is known to the families receiving it as "*EPIC*" (*Essex Palliative Integrated Care*).

Examples of the core services delivered across all of the organisation's areas of care, with the aim of providing the best experience possible for the individual and those important to them, include:

### *Holistic assessment of need*

Assessments are undertaken on every patient, child or family member who is cared for by Havens Hospices. These look at the person "as a whole" – not only their medical condition but emotional, spiritual, psychological, family and social needs, which can be addressed by different teams across Havens working together. The services offered by Havens seek to respond to identified needs, and typically include pain and symptom management, counselling and/or social care support, complementary therapies and physiotherapy, spiritual and family care, as well as pre and post bereavement support.

### *Personalised care*

Havens Hospices' care aims to be responsive to individuals' needs as well as to those who are important to them. This is achieved by listening to the patients (adults or children) and their families in order to identify what is important to them. This may include how their personal care is undertaken, what the environment of their bedroom is like, their dietary requirements and end of life wishes – for instance, if they prefer to be in bed or in a chair, and who they wish to be with them when their time of death approaches.

Havens always aims to fulfil requests that are of great personal importance to the individual. Often, this is something they are keen to do or want to achieve before they die. Hospice staff will help to organise marriage blessings or renewals of vows at Fair Havens, have arranged afternoon teas and joint complementary therapies for couples or families, and hosted sleepovers at Little Havens for child service users and their friends. "We've even popped to the shops to get a certain type of rum for a patient who fancied a tipple."

Building positive memories is at the heart of "making every day count". This may be through creating memory boxes or keepsakes, photographs or films for patients' families. Sometimes, staff are given permission to share these more widely, to highlight the importance and personalised nature of hospice care. Havens also works with other charities such as the *Willow Foundation* and *Winston's Wish*, and with local businesses and other organisations to organise theatre trips, days out and short breaks for patients well enough to enjoy them. Family members and others important to the patient are supported and comforted throughout the care journey, before and after their loved ones have died. Havens offers counselling, support groups, and thanksgiving service, and its care teams value the time they have to come alongside, answer questions and just be present in that moment of the individuals' grief.

### *Advance care and urgent treatment planning*

Founded on open, honest and sensitive discussions with individual patients about their conditions, advance care and urgent treatment plans are drawn up to enable them and their families to make decisions about the choices they face, and how and where they would like their future care delivered. This can cover practical issues such as funeral arrangements, and also set out what the individual would prefer to happen when urgent care is required, for example, decisions around "do not attempt cardiopulmonary resuscitation" (DNACPR).

### *Clinical education, and training and development*

Havens has a dedicated in-house clinical education team: its learning & development department. This team of paid staff and volunteers organises and plans the delivery of internally run training, and oversees the buying in of externally run courses, enabling staff across Havens to improve their skills and supporting the continuous delivery of compassionate hospice care. Some in-house training is also offered to outside healthcare professionals, helping to improve the overall quality of end of life care in the local community. In addition, Havens has close relationships with local universities and higher education establishments, allowing students to access the charity's expertise to help further their knowledge in palliative and end of life care, through placements and training.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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### Achievements and performance

The organisation's business plan for the year aimed to further the hospices' core charitable object and the trustees' adopted strategic values set out on page 4 to this report. The corporate business plan was centred on four main themes related to the direct delivery of care, in addition to the means by which the necessary funds are raised to finance this care and the support services required to enable the charity to operate. The themes grouped within this report are consequently:

- adult hospice: in-patient and related services
- adult community hospice services
- children's hospice: in-patient and related services
- children's community hospice services
- income generation through fundraising and marketing
- income generation through trading operations: charity shops, weekly draw and challenge events
- support services (including development of a new adult hospice known as *new Fair Havens*).

### *Adult hospice: in-patient and related services*

#### **What the charity said it would do:**

- Bed in the new senior nursing structure and look ahead to future nursing requirements in preparation for the move to the planned new adult hospice building known as *new Fair Havens*.
- Assist service users to develop a better understanding of their own spirituality, and develop resources to aid staff in delivering this support.
- Investigate the increasing need for potential service users who require support relating to mental health issues, and develop hospice services accordingly.
- Increase access to physiotherapy for service users in the adult hospice's in-patient unit.

#### **What the charity has done:**

- A new ward sister was appointed in March 2016 alongside two deputy ward sisters. This increased the availability of senior nursing support within the in-patient unit. These posts represent key roles in the nursing and care team structure, and help prepare the team for a future move to the *new Fair Havens*.
- The chaplaincy team worked on raising the profile of the spirituality awareness study days within the organisation, and conducted audits on the use of the "spirituality tool" - an assessment of patients' spiritual needs. The team also increased its number of volunteer chaplains, enabling it to make pastoral care available to staff, patients and their relatives whenever needed.
- Havens Hospices joined forces with the Alzheimer's Society to become a "dementia friend". Training and conversations now take place across the charity to better understand what it is like to live with dementia, and to turn that understanding into action when caring for patients who have symptoms of this condition.
- Physiotherapy referrals remained high, but having only one physiotherapist employed by the charity limited the number of visits or sessions which could be accommodated. To help alleviate this, Havens' physiotherapist developed a range of information sheets to enable exercises to be carried out in patients' homes or within the in-patient unit, for instance supervised by a member of the Care Team. Havens also trained community carers to offer hand and foot massages in patients' homes.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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### *Adult community hospice services*

#### **What the charity said it would do:**

- Increase access to complementary therapy for patients and their families cared for in their own homes, and increase access to physiotherapy for patients in the community, day care and patients' own homes.
- Continue to develop the end of life managed care service in collaboration with Castle Point & Rochford CCG and with Southend CCG.
- Operate day care services five days per week (Monday to Friday), and develop plans for future delivery of day care at *new Fair Havens*, exploring the possible expansion of patient and carer support to seven days per week.
- Develop and increase the blood transfusion service, making this more flexible for patients, and develop capacity for patients to receive monthly *Zometa* infusions within day care, relieving the need for them to attend hospital for this treatment and enabling them to participate in other day care services on offer.

#### **What the charity has done:**

- It was not possible to offer complementary therapy in the community this year because the charity lacked sufficient therapists to meet demand, due to referrals having increased both in day care and the in-patient unit. The charity did, however, train community carers in hand and foot massages so that these can be offered as part of patients' care sessions. One community carer can also provide reflexology. Referrals for physiotherapy also increased within the community, and the charity's physiotherapist worked closely with NHS physiotherapists and occupational health providers. Day care physio now includes sessions on breathlessness, with referrals being accepted from Southend Hospital, as well as sessions covering mobility, fatigue, acupuncture and exercise.
- Thanks to the recruitment of more community carers, Havens was able to accept a much higher number of patients onto its managed care service (MCS), run in conjunction with Castle Point and Rochford CCG. Patients accepted onto this service received further support from other Fair Havens care teams including physiotherapy, chaplaincy, benefits advice and hospice at home, which demonstrates the holistic approach of caring for patients "at the right place" and "at the right time".
- Day care now provides its services five days a week, with a clinic day having been created as well as a day dedicated to newly diagnosed patients.
- The hospice was disappointed that it was not able to start using its blood fridge for storing blood intended for transfusions during the year. This resulted from external pressures on Southend Hospital's haematology service creating long delays. Despite this, Havens' day care team was able to continue providing blood transfusions to patients, and completed nine procedures this year. As well as caring for its existing day care patients, Havens received new referrals from clinical nurse specialists and from Southend Hospital for cancer treatment such as *Zometa* infusions (used mostly to treat myeloma, secondary breast cancer and prostate cancer), and during the year supported 280 of these procedures.

### *Children's hospice: in-patient and related services*

#### **What the charity said it would do:**

- Review the current services offered with the intention of providing more care to existing service users, as well as developing care for more complex children via the in-patient unit and day care at Little Havens. This entails recruiting additional children's nurses for Little Havens hospice in 2017 and also in the coming three years, with the aim of providing more short breaks for families within the in-patient unit and its associated services.



# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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- Assist children and their families to develop a better understanding of their own spirituality, and develop resources to aid staff in delivering this support.
- Review the current training database and develop a new system to allow accurate recording of clinical education delivered to staff across the adult and children's hospice services.
- Develop a complementary therapy room in Little Havens hospice for use by both the children's and adult hospices' patients and families.

### **What the charity has done:**

- The service review carried out included expansion of day stays to meet specific needs of families, and the introduction of "red nights", a system where specific respite stays in the year are guaranteed allowing parents to plan their time.
- The review included an exploration of Little Havens' current eligibility criteria, and is ongoing in conjunction with a newly established working group set up to link in with the *Together for Short Lives* umbrella charity (TfSL).
- The introduction of a "flexibed" provided support to families in crisis or experiencing acute difficulties, and has been widely welcomed by families. The presence of the flexibed also enabled a substantial reduction in cancellations of respite breaks, where previously emergency admissions had to take priority. This provided greater stability to all families using Little Havens during the year.
- The children's hospice acknowledges that it needs to do more work with families to try to target available respite provision effectively, in ways that best meet families' needs. Historically, short notice cancellations of respite bookings from families have often resulted in respite breaks being unused, but introducing longer deadlines for booking requests does not work well for many families. The hospice is committed to continuing to work with families through user groups to try to improve this.
- Little Havens is at the second phase of supporting families whose children have complex care needs around receiving parenteral nutrition. Additionally, it has identified increased need for support for families caring for children with other complex needs like venous management and trachea-ventilation, and is exploring how to cooperate with external care packages to better meet the needs of its families.
- The charity has developed its spirituality programme which is now embedded within the care team, with two link care team members identified to work closely with chaplains.
- Due to other priorities and limited resources, the project to redevelop the training database has been deferred to next year.
- Shortly after the year end, the complementary therapy room was moved from the care floor to nearer the family accommodation, to enable access to non resident families. There are plans to refurbish the multisensory room to enable children to experience their world in a variety of ways: auditory (through their ears), visual (through the eyes), tactile (through touch) and kinaesthetic (through body movements).

### *Children's community hospice services*

#### **What the charity said it would do:**

- The nature of *EPIC* is that children can remain on the caseload for many years, and there is a risk that children waiting a protracted period of time for this service may die whilst on the waiting list. Little Havens' objective for 2017 and longer term is, therefore, to expand the provision of its care to support children, young people and families in the community setting, developing its hospice at home service to care for children at the end of their lives and their families.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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### What the charity has done:

- In response to increased pressure on the waiting list for respite breaks, *Provide* took the decision as an interim measure to take on families who had been held for prolonged periods on that list, pending a wider review of the service delivery model (see page 13). Although existing recipients have faced a substantial reduction in their own provision, the majority appear to have accepted the need for this.

### *Income generation through fundraising and marketing*

#### What the charity said it would do:

- Ensure Havens Hospices is the charity that local people want to support, work and volunteer for so that, with their support, the charity can secure the long term future of hospice care in its local community.

#### What the charity has done:

- The charity exceeded its overall fundraised income targets for the hospice's core funding by 5% (£186,000) for the year, with thousands of local people again taking part in events and activities.
- Havens launched a successful "open doors" initiative, opening up Little Havens and Fair Havens to the public and holding a family friendly day of activities. Both events were very successful, with Little Havens attracting over 700 visitors, compared with below 100 for the previous open day held.
- A planned marathon in Southend had to be cancelled at short notice due to logistical reasons. However, plans are afoot to run this at a future date using the plans, expertise and support already garnered for the abortive 2017 event. Thanks to the generosity of donors, the cancelled event did not lose money.

### *Income generation through trading operations: charity shops, weekly draw and challenge events*

#### What the charity said it would do:

- Continue to develop new business concepts for income generation, and continue to identify potential new charity shop sites.
- Design and launch weekly draw campaigns to raise funds for Little Havens and for *new Fair Havens*.

#### What the charity has done:

- After careful consideration, the directors of the trading company decided, with the charity's approval, that the charity shop at Cranham should close in May 2017. The shop has not generated the level of trade that had been anticipated and has failed to become profitable in its three years of operating.
- Havens' weekly draw is promoted by paid canvassers who have been trained by the hospice. The charity only uses local people employed through *Gateway Fundraising*, a local company set up to help the hospice raise money via the draw. During the year, Havens invested £144,000 more than last year in increased canvassing, as a result recruiting 5,600 new participants. The charity anticipates further investment in recruiting participants in 2018 and 2019, with net income projected to double by 2021.

### *Support services (including new Fair Havens)*

#### What the charity said it would do:

- Successfully convert the charity's and subsidiary companies' annual reports and statutory accounts to comply with the new *Charities SORP FRS 102* accounting regulations.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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- Continue to progress the development of *new Fair Havens*, with a view to completing a successful tendering process in order to select appropriate contractors once the required levels of capital appeal funds are in place.

### **What the charity has done:**

- The task of converting the statutory accounts and annual reports for the Havens group - including for its subsidiary entities - from the previous Generally Accepted Accounting Practice (UK GAAP) to the new standard (*FRS 102*), was completed in time for the external audit of the 2016 financial statements.
- The plans for *new Fair Havens* continue to develop, based on learning gained from similar new build projects completed by hospices in other parts of the country. Following discussion with the care team, the in-patient unit will now be relocated to the ground floor to allow patients easier, more direct access to the new hospice's gardens. Further consideration of the design, the application of value engineering and preliminary discussions with contractors, have helped to reduce the estimated building cost.
- Positive discussions relating to plans for *new Fair Havens* have also been held with the Clinical Commissioning Groups (CCGs) covering greater Southend, both of which already commission services from Havens. These events have helped build a momentum that has enabled the hospice to begin a formal two stage tender process with a contractor, with the aim of starting on site in September 2018.

### **Beneficiaries of the charity's services: outcomes and impact**

During the reporting year, Fair Havens and Little Havens each underwent inspection visits from the Care Quality Commission (CQC). The CQC reports have since been published. The trustees are pleased to record that both hospices, in each of the CQC's five key lines of enquiry (ie: that the service is Safe, Effective, Caring, Responsive and Well Led), were rated "good", and that each hospice gained an overall rating of "good".

#### **(a) Adult in-patient and related services**

Havens continued to develop the Outcome Assessment and Complexity Collaborative Project (OACC) during the year. Fair Havens' lead clinician, Dr Ahlquist, leads this project at the adult in-patient unit and has educated the nursing staff to develop the second phase of reporting.

Day care staff continued to record phases of illness for patients who attended, identifying those patients who were stable, unstable or deteriorating. This has proved beneficial when identifying patients' ongoing needs, the outcomes of care plans and levels of support provided by the day care team. This will also assist discharge planning. As an example, one group of day care patients analysed at the year end were identified as follows:

- 33 out of 42 patients were stable. These patients' problems and symptoms were being adequately controlled by an established plan of care and no new issues were apparent. This group of patients would typically be offered a period of six to eight weeks to attend day care, and their discharge planning discussed with them. Staff would also recognise that some patients from this cohort may only need to attend day care for one or two weeks, with their ongoing support needs identified and met in other ways.
- 5 out of 42 patients were identified as unstable. An urgent change in their plan of care, or emergency treatment, was required because the patients had experienced a new problem. Those patients would be seen by day care clinical nurse specialists as a priority, to offer symptom control to address problems.
- 4 out of 42 patients were identified as deteriorating. Their care plans were addressing anticipated needs but required periodic review, because the patients' overall functional status was declining. These patients would be prioritised to be supported by day care clinical nurse specialists. This aimed to provide ongoing psychological and symptom management support, and would also consider end of life planning and the patients' support needs at home.

The charity will continue to develop reporting, and use the full suite of measures in OACC, in the coming year.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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As a result of increasing the service provided by day care from four to five days per week, the hospice has seen an increase in the number of patients it is able to support. From Monday to Wednesday it now has the capacity to care for 15 patients at a time via a structured day, which typically includes creative therapy, lunch with other service users and the opportunity to see Fair Havens' palliative care consultant to discuss their illnesses. The clinic day held on Thursdays means that patients who want to just pop in to see a clinical nurse specialist or physiotherapist can do so at relatively short notice and in a comfortable, familiar environment. Whilst there, they can also book a complementary therapy such as a massage or nail file and polish, or undertake some creative therapy if the mood takes them. On Fridays, the team have developed a session dedicated to newly diagnosed patients, who may be worried or anxious about their prognosis but can visit day care to meet the team before formalising their care plans. Day care is also valued as an important source of respite for patients' families and carers: *"I couldn't cope any more. I just couldn't keep spinning all of these plates. For me, when Dan is at Fair Havens day care it's a bit of respite. I want to be there for him but at the same time I need time off from being 'Sarah the Carer' and I feel incredibly guilty for that. I do fear 'what if?' What if he has a seizure? What if he forgets where he is? He could wander off at any time, but when he's at the hospice I know where he's at. I know he's safe for that day."*

### (b) Adult community services

The Fair Havens managed care service (MCS) is an area where the charity has been able to deliver great improvements in the quality of care for patients in the local community. The second phase of this pilot project started in April 2016 with the aim of focusing on patients being discharged from hospital with "fast track" Continuing Health Care (CHC) funding. A core aim was to see whether it was appropriate for these patients to leave hospital at the time discharged, and what plans needed to be in place to enable care to be successful outside hospital. This project is run in conjunction with Castle Point and Rochford CCG. By recruiting additional carers, the maximum number of patients Havens is able to accept at any one time has increased to nine. A large benefit of the managed care service being run by the charity is that the patients benefit from other Havens services in a seamless sequence of care, including physiotherapy, chaplaincy, benefits advice or respite.

Havens recognises that patients returning home from hospital often need a period to stabilise and that the initial care plan drawn up and number of visits envisaged can subsequently be modified. This is especially so if the patient's condition improves, as a result of which they may no longer meet the criteria for fast track CHC funding, or the hours of care required for them could be reduced, thereby saving money for the local NHS to deploy elsewhere, whilst still providing the care that is appropriate for that patient. Each patient referred to the MCS during the pilot project was assessed by a trained nurse, and a care plan agreed that would also meet the needs of their family or carers. After one to two weeks on the MCS, those whose condition had stabilised or progressed more slowly than anticipated were referred back to CHC to look at alternative care plans or more appropriate social care support. During the period from April 2016 to March 2017, the MCS received 145 referrals and accepted 130 patients onto the caseload. Of those patients who did not meet the CHC fast track criteria, 11 remained in hospital, one was transferred to the hospice, two declined care and one patient went to another care provider.

### (c) Children's in-patient and community services

At Little Havens, the newly introduced parent and carer forums have allowed the hospice to open up dialogue between the care managers and those using the service, so that their feedback can be heard directly by those making decisions. To help meet this aim, the new flexibed system now in operation means the children's hospice can consider last minute requests for overnight stays, for instance following a recent episode of family illness or to ease families' exhaustion. Little Havens recognises the preparation required to bring a child to the hospice, so understands that this option does not suit everyone. The care team believes this may explain why the children's hospice has seen an increase in its planned day stays. These may be for pre-arranged music therapy and sensory sessions, or for the children to have an impromptu swim. Day stays are a theme that Little Havens plans to build on in the coming year. In the words of one service user: *"The break we have at Little Havens keeps us going until the next time, it's perfect for us. We love it there. Just having that rest for a couple of days makes you feel a thousand times better. It helps us function as a normal family and that's how I want us to stay."*

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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Due to a growing waiting list during the year and pressure on resources, Mid-Essex CCG commissioned a strategic review of the *EPIC* service from an NHS perspective. The report was published in May 2017. The CCGs' preferred option recommends disaggregating the current NHS funding contribution for the service, and reconfiguring it to include end of life care in addition to its provision of short breaks, all to be provided by Essex hospices. Further consideration of this proposal is likely to be deferred pending the outcome of the separate review of the children's and young people's end of life care pathway, commissioned by the pan-Essex CCGs. The report was published before consultation with Havens on the *EPIC* review's findings or recommendations.

Key service statistics	2017	2016
<i>Adult hospice: in-patient and related services</i>		
Patients receiving in-patient care	237	292
<i>Adult community hospice services</i>		
Clients using day care services	252	211
Complementary therapy sessions delivered	688	916
Physiotherapy visits in clients' homes or at the hospice	745	534
Hospice at home face to face consultations / community carer visits	1,411	1,261
Hospice at home hours of respite delivered	4,657	7,223
Clients receiving CHC funded end of life care packages	130	97
Hours of CHC funded end of life care delivered	3,510	1,203
<i>Children's hospice: in-patient and related services</i>		
Overnight stays by families (number of episodes of care)	198	214
Total bed nights provided to families	454	617
Total day stays provided to children and their families or carers	53	66
<i>Children's community hospice services</i>		
Children and families receiving home respite care (case load)	60	61

The charity's hospice at home care has undergone re-profiling as a consequence of the increasing number of patients receiving managed care supported by CHC (Continuing Health Care) funding. These patients naturally meet the hospice at home criteria and, therefore, come within the scope of this service. Their care needs, however, require more active support than patients and their carers who need short-break respite support. As a consequence, the number of respite hours that the hospice at home service has been able to offer has reduced.

The number of patients receiving in-patient care varies from year to year depending on the complexity of patient needs and length of stay. Patients with increasingly complex conditions typically require more support from a multi-disciplinary team over a longer stay than less complex or more stable service users, both in the adult and children's hospices. Increasing the number of physiotherapy sessions within the adult in-patient unit has helped support this multi-disciplined approach to assist the charity in addressing these complex conditions, and to support patients in having their symptoms controlled and allowing them to return home following respite stays.

### Financial review

The trustees are pleased to present the financial results for the year which show a net surplus - including capital appeal donations towards the planned new adult hospice and after accounting for realised and unrealised gains on investments - of £315,000 (2016: £909,000 after unrealised investment losses).

Total gross income for the year was £10,085,000, 2.5% below the £10,348,000 received in the previous year. Of this, total income from donations and legacies, net of the associated costs of generating this income, totalled £3,129,000 (2016: £3,727,000). In 2016, this included a single gift of £553,000 from the Ivan Heath Trust for the capital appeal to build the new adult hospice, with no equivalent significant donation being received in 2017.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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Trading activities generated £1,225,000 of net income, 10.5% below the £1,369,000 produced in 2016. This was achieved via the organisation's 23 charity shops, a weekly hospice draw, "challenge style" fundraising events and charges to corporate bodies for the use of the charity's logos or brand. The reduction was primarily due to the investment in canvassing for new participants in the weekly draw outlined on page 10. Trading income disclosed in these accounts for both years includes retail gift aid on donated goods claimed through the charity, together with the gift aided sales themselves. Gift aid on donated goods generated income of £129,000 this year, compared with £162,000 in the 2016 accounting year. This reduction of 20% in gift aid income followed changes that were introduced by HM Revenue & Customs in January 2016, which had the effect of inhibiting supporter participation in the retail gift aid scheme across the charity sector.

Income derived from charitable activities was mostly generated from statutory sources, which in 2017 totalled £1,636,000 (2016: £1,580,000). Of this increase, £56,000 related to a source of income which had commenced in May 2015 from Continuing Health Care funded end of life care packages (see page 12). Funding from this source grew from £50,000 for 2016 to £106,000 in 2017.

Total expenditure on charitable activities for the year was £5,953,000, 1% higher than the £5,882,000 last year. This increase reflects the expansion of the managed care service described on page 12, the costs of which increased by £89,000 year-on-year.

The charity experienced realised and unrealised gains on its investment portfolios totalling £151,000 in 2017, compared with the unrealised loss of £24,000 the previous year. The gains in 2017 included £67,000 of crystallised gains resulting from the disposal of a total of £600,000 of investments held with Investec, between November 2016 and March 2017. This disinvestment, made at the request of the trustees, was part of a strategy of ensuring that future cash levels will be sufficient to honour the trustees' designation of a further £1,750,000 of historic reserves towards the costs of *new Fair Havens* once construction begins. Further details of the charity's investment portfolios are provided on pages 15 and 39.

The charity's cash position strengthened over the year, with £2,667,000 of free cash being held at 31 March 2017 (2016: £1,939,000), in addition to £2,515,000 of cash investments (2016: £2,644,000). The £599,000 increase in total cash year-on-year was due primarily to the disinvestment of £600,000 from the charity's investment portfolios held with Investec described above.

### Principal risks and uncertainties

The principal risks facing the charity and its subsidiaries relate to:

- funding uncertainties that arise from significant proportions of total income coming from legacies, which by its nature can be a volatile income stream, and from public sector sources, which may be subject to future change resulting from the ongoing palliative care funding review
- the challenge of raising sufficient cash from the capital appeal to fund the construction and operation of the new adult hospice, to enable the charity to meet the growing need for its services in the longer term
- declining net income from the group's charity shops, which operate in an increasingly competitive environment, with diminishing returns again being experienced despite prior year expansion in this area.

The trustees take seriously their responsibility to ensure that actual and potential risks to the organisation, its clients and visitors are identified, and that all necessary and appropriate steps are taken to eliminate or minimise them. To achieve this, the trustees have delegated to their sub-committees (known as "governance committees") and to staff at all levels of the organisation responsibility for managing risk in their respective areas. Each of the governance committees maintains a high-level risk register, which collectively provide the basis for the trustees' overarching register. Staff and volunteers throughout the organisation receive specific training on risk awareness, assessment and management. For managing day to day risks, the organisation also operates a computerised risk management database system. A key element in the management of financial risk is the setting of a reserves policy, which the trustees review regularly (see details on page 15).

The charity also undertakes business continuity planning as part of its high level risk management strategy.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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### Investment powers and policy

The charity holds two invested, balanced portfolios of shares and securities which are managed by Investec Wealth and Investment Limited. Both capital and income held within the portfolios may be used at any time for the furtherance of the charity's aims. Consequently, the portfolios are managed on a total return basis. During the year, the trustees reviewed and changed the objective for these funds, in view of the need to ensure that the charity has sufficient cash resources to honour the trustees' pledge to fund a further £1,750,000 of the total costs of *new Fair Havens* once construction begins. Following disposals totalling £600,000 in the year, the remaining market value of the combined portfolios at 31 March 2017 was £933,000 (2016: £1,396,000). Investment markets surpassed expectations during the year, with equities in particular rising strongly despite uncertainties arising from the UK's "Brexit" referendum result and the election of Donald Trump as President in the US. Despite the substantial disinvestment during the year, Investec generated an overall total return of 16.1% for the Little Havens portfolio and 15.8% for the Havens Hospices portfolio, compared with the 17.6% benchmark.

In addition to the managed fund portfolios held with Investec, the trustees' policy for management of cash is to hold funds deemed surplus to immediate operational requirements in a range of interest-bearing term deposit accounts with differing maturity dates, spread across UK banks or building societies to mitigate risk. In response to continuing low interest rates in the current market and a desire to spread risk, £1,000,000 is held in a pooled cash fund managed by Royal London Asset Management (2016: £999,000), with the aim of improving yield whilst increasing diversification. Although available for withdrawal at short notice if required, the Royal London cash fund is classed as a cash investment rather than as cash in hand due to the nature of the fund and the trustees' intention to hold it for the longer term.

At 31 March 2017, a total of £2,515,000 (2016: £2,644,000) was held in bank or building society deposits due to mature in more than three months but less than two years, which are classified in these accounts as *current asset investments*, and £2,667,000 held in deposits of three months' notice or less, including instant access accounts (2016: £1,939,000), which are classified in these accounts as *cash in hand and at bank*.

### Ethical investment policy

The trustees' agreed ethical policy is to task its investment managers with taking a pragmatic approach to the selection of its portfolios, with the proviso that the trustees do not wish to invest in areas that are seen as detrimental or damaging to the interests of the charity's beneficiaries, or to the Christian ethos of the organisation. The invested portfolios are managed on a collective basis; consequently, the charity does not have direct control over the underlying investments within it. Investec are, however, instructed to ensure that any initial investment in an element of a diversified fund is at a level of less than 10%, for the share or company holding that may be in conflict with the charity's ethical restriction statement. No explicit ethical restrictions have been set for the charity's investment of cash reserves within the Royal London pooled *Cash Plus* fund.

### Reserves policy and going concern

Reserves are required to bridge any gap between spending on the charity's services and the income it receives from all sources, to invest in services and future income generation, and to pump-prime future initiatives. The trustees recognise the need to hold adequate reserves as part of their overall risk management strategy.

The bulk of the charity's annual income comes from voluntary sources which, by their nature, are non-contractual and can vary substantially from year to year. This is particularly true of legacies, and with the ongoing palliative care funding review there is some additional risk of uncertainty over future funding arrangements with core statutory funders, primarily Clinical Commissioning Groups and NHS England.

The charity's overall reserves increased this year by £315,000 as a result of the net surplus (2016: rise of £909,000). Of this, £302,000 related to funds donated during the year that are restricted to *new Fair Havens* (2016: £896,000). In addition, the £130,000 net reduction in the value of fixed assets during the year has been transferred from the fixed assets designated fund back to free reserves (2016: a £77,000 net increase in fixed assets, excluding *new Fair Havens* land, was transferred from free reserves to the fixed assets designated fund).

All designated funds are excluded from the trustees' computation of the organisation's free reserves. Free reserves at March 2017 were, therefore, £2,442,000, £179,000 higher than the free reserves held at 31 March 2016 of £2,263,000. For the purpose of this calculation, funds that carry no restriction other than that they are to be used for Fair Havens or Little Havens are included in free reserves.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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The trustees reviewed their reserves policy during the year, taking into account in particular the expected costs to construct *new Fair Havens* and the higher levels of funding which will be required to operate the planned expansion in services from the new hospice, once built.

The trustees consider that in order to protect against future risks, maintain funds to enable the future running of *new Fair Havens* and continue to operate effectively in the interim, the charity should ideally aim to hold free reserves (defined as unrestricted and undesignated cash and other net current assets) in the region of two months' future budgeted expenditure by the time the new adult hospice opens.

Free reserves at 31 March 2017 represented three months' current budgeted spend, and the trustees believe that this is consistent with their reserves policy, as part of the four year plan for income and expenditure to March 2021. In reaching this conclusion, the trustees have considered how the necessary reserves level is likely to vary over the period of the capital appeal and early days of the new hospice facility, and have mapped out specific targeted reserves levels for each year accordingly. In doing so, they have taken account of profits they anticipate arising on the sale of freehold land and property during the 2018 and 2019 accounting years, the net proceeds of which will be used towards meeting the construction costs of the new hospice.

Having reviewed the strategic risks facing the charity, the budget and business plan for the periods 2018 to 2021 and the overall cash levels held, the trustees consider that sufficient reserves were held at 31 March 2017 to manage those risks successfully, despite the inherent uncertainty in key sources of income such as legacies, net trading income from charity shops and statutory grants.

The trustees also consider that there is a reasonable expectation that the charity and its subsidiary companies have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### Post balance sheet events

Havens has historically worked closely with The J's Hospice ("the J's"), an Essex charity founded in 2003, with some patients from Little Havens having been referred to the J's when they became older teenagers, and some of the J's young adults being referred for end of life care and symptom management at Fair Havens. The J's charitable objects fit closely with Havens' (see Note 32), with its work meeting a gap which had been identified by Havens between Little Havens' work with children and teenagers and Fair Havens' services primarily used by older adults. On 1 April 2017, at the invitation of the J's trustees and members, J's Hospice became a wholly owned subsidiary of Havens Christian Hospice. The J's had been facing an increasing challenge in fully funding their planned services during a period of rapid expansion since 2010, so had approached Havens to seek to explore ways in which the charities could work more closely together and secure the longer term financial future of the J's services.

The J's trustees describe their services as providing "*community-based hospice and respite care services for young adults aged 16-40 with life limiting and life threatening conditions throughout Essex*", with the aim of helping these "*young adults to live the best possible quality of life, as independently as they can, as well as supporting them and their families at the end of life*".

The acquisition was put into effect via formal resolutions which were passed by the J's former members and trustees, with Havens becoming the sole member of the J's company and charity from 1 April 2017. The J's company and charity registration numbers and address are disclosed in Note 32.

### Plans for future periods

The charity's key goals for the 2018 accounting year continue to centre around the four key care themes of adult and children's in-patient services and related hospice work, and adult and children's community hospice services. In addition, the corporate business plan sets key objectives for the teams responsible for income generation from fundraising and marketing, income generated by trading activities, and the support services needed to enable these core services and activities to succeed.

A major theme running throughout the corporate and departmental business plan objectives for the 2018 accounting year is the work required to assimilate the J's successfully into Havens Hospices.



# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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Key objectives and targeted outcomes that have been set for the 2018 business planning year include:

### *Adult hospice: in-patient and related services*

- Support two Fair Havens in-patient unit nurses in their training to become advanced nurse practitioners.
- Review the pharmacy service level agreement (SLA) for Fair Havens.

### *Adult community hospice services*

- Scope the creation of a bereavement benefits and advice line.
- Integrate Havens' hospice at home with J's care staff to provide a seamless and consistent service.
- Scope the creation of a single point of contact (SPOC) for end of life care patients.
- Continue the development of the managed care service (MCS) for further commissioning opportunities.
- Develop a managed care pathway to validate fast track eligibility in the hospital setting and facilitate faster discharge home for patients.
- Assess the impact on hospice at home patients of Marie Curie's withdrawal of night respite carers.

### *Children's hospice: in-patient and related services*

- Review arrangements for medical cover at Little Havens.
- Review the pharmacy service level agreement (SLA) for Little Havens.
- Implement and adhere to the new NICE guidelines for end of life care for babies, children and young people with life-limiting conditions.

### *Children's community hospice services*

- Review the EPIC service provision to help meet growing demand for children's community care.

### *Income generation through fundraising and marketing*

- Deliver £3.1 million of additional voluntary income by 2020 as part of the capital appeal for *new Fair Havens*, including the launch of the public phase of the appeal.
- Assess and prepare for the impact of the new Fundraising Preference Service and related Information Commissioner's Office (ICO) recommendations.

### *Income generation through trading operations: charity shops, weekly draw and challenge events*

- Implement the approved trading strategy which includes the opening of a new shop in Dagenham, assimilation of the J's Clacton shop into Havens' trading company, testing of a business plan to expand sales of higher value donated goods via outlets such as eBay, co-location of the trading company's administrative office and storage warehouse, and exploration of additional alternative future trading opportunities to further diversify Havens Hospices' sources of income.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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- Continue to invest in canvassing for new weekly draw participants in order to grow future net income.

### *Support services (including new Fair Havens)*

- Progress the *new Fair Havens* project, taking the design process to RIBA (Royal Institute of British Architects) Stage 4 and completing a successful two stage tender to appoint contractors.
- Prepare an information governance programme in order to implement the General Data Protection Regulations (GDPR) successfully by May 2018.
- Review care and non-care training needs across the charity to set in place a reliable and repeatable training programme.
- Integrate the J's financial, accounting, human resources, ICT and facilities management into the existing Havens internal services.

## Structure, governance and management

### Directors and trustees

Havens Christian Hospice (abbreviated within these financial statements as HCH) is registered both at Companies House (as a company limited by guarantee) and with the Charity Commission, and trades as "*Havens Hospices*", "*Fair Havens*", "*Little Havens*", "*The Heath Centre*" and "*Leaves of Life*".

Since taking over The J's Hospice on 1 April 2017, the organisation now also trades under the names "*The J's Hospice*" and "*The J's at Havens*".

Havens' company directors are also the trustees of Havens Christian Hospice, and in line with the charity's governing document, they are referred to as "the trustees" in this document. Collectively, they constitute the organisation's governing body.

All of the trustees are elected by the members of the company at the Annual General Meeting (AGM).

### Appointment of trustees

Under the Articles of Association, as amended in November 2010, trustees are elected at the AGM for a term of office normally of four years. Trustees are eligible to stand for re-election once only. Having served a maximum of two terms, a trustee must allow an interval of at least one year to elapse before he or she is eligible to seek further election.

The trustees have the power to co-opt additional trustees, provided their total number does not exceed 13. Such appointees hold office only until the next following AGM, at which point they must be nominated for formal election.

The Articles of Association require the trustees to declare themselves as Christian, to be members of the company and to sign a written declaration of their willingness to act as a trustee of the charity.

The trustees have procedures, overseen by the charity's governance sub-committee, for the recruitment, induction, training and support of newly appointed trustees. The trustees determine the range and mix of skills they believe are required to fulfil their responsibilities, and analyse their existing skills and experience regularly in order to identify those areas they will be looking for particularly when seeking to attract new trustees. Use is made of personal and local networks including churches, chambers of commerce, Rotary clubs, business and trade associations and volunteer bureaux, to reach people with the appropriate skills and experience who might be interested in becoming a trustee.

Trustee vacancies have also been advertised on the organisation's website, and use is sometimes made of the websites of national organisations when recruiting trustees.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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### Induction and training of trustees

Newly appointed trustees are given a copy of the organisation's governing document and are provided with further information during the recruitment process to ensure that they are fully introduced to the organisation.

Trustees are also encouraged to visit and meet care and support staff throughout the hospices, to visit at least one of the organisation's charity shops, and to attend an external "introduction to trusteeship" training course as well as the relevant sessions of the organisation's corporate induction programme. The chairman also considers the governance committees on which newly appointed trustees might be willing and able to serve and how best to use their skills.

Within the first six months of the appointment of a new trustee, the chairman and chief executive meet with them to ensure they have received a thorough grounding in the work they will be asked to carry out. Additional and ongoing training is provided when required or requested, and trustees participate in an appraisal process and regularly review their agreed key performance indicators. Particular attention is given to training for all trustees covering safeguarding, charity finance and governance.

### Governance

The trustees usually meet bi-monthly, with additional meetings being scheduled to consider any exceptional or urgent items of business. To ensure good governance, the trustees have appointed high level sub-committees to act as governance committees. The governance committees provide assurance on controls operating across the organisation's key business areas: care; finance; fundraising, marketing and communication; health and safety and facilities; human resources and education; and the *new Fair Havens* project board. These are in addition to the overarching governance committee. All of the committees are chaired by trustees. The executive team also meets as an executive committee, which reports through the chief executive to the trustees.

The trustees exercise a system of delegated responsibility. Other than their governance role and specified reserved matters such as the setting of strategy, approval of policies and of the charity's Vision and Mission, day to day management of the organisation is delegated to the chief executive and executive team. In addition, some 276 paid staff and 911 volunteers provide invaluable support in all areas of the organisation's activities.

The trustees ensure that very careful attention is paid to the organisation's finances. The finance committee and executive committee both receive monthly management accounts, and a finance report which has first been reviewed by the finance committee is presented to each full meeting of the trustees.

The organisation's activities for the year are set out in an annual corporate business plan, which is supported by a rolling four year financial plan. The underlying high-level departmental business plans are approved annually, and progress against them is reviewed on a quarterly basis by the trustees.

### Related parties and relationships with other organisations

The charity has three wholly owned subsidiaries: Havens Hospices Trading Company Limited ("HHT"), Havens Development Company Limited ("HDCL") and, since 1 April 2017, The J's Hospice ("the J's").

The principal purpose of HHT is to generate income for the benefit of the hospices. This is achieved via the sale of (mostly donated) goods through HHT's chain of charity shops. Any available taxable profits that are generated by HHT are gift aided to the charity (see Note 11 to the accounts). Income generated from the charity's weekly draw, from challenge-style fundraising events or from charges for the use of the charity's logos or brand, is disclosed in the group financial statements as income from trading activities, but those activities take place within the charity and not through the trading company. Similarly, the costs associated with those sources of income are incurred by the charity rather than the trading subsidiary.

The purpose of HDCL is to act as the vehicle for undertaking the design and build of the planned replacement adult hospice (*new Fair Havens*). HDCL recorded a small net surplus for the year resulting from the work it undertook in the ongoing design of, and working towards obtaining detailed planning consent for, the new building. All such work carried out up until the balance sheet date was invoiced in full to the charity. As for HHT, any available taxable profits generated by HDCL are gift aided to the charity (see Note 11).

The purpose of the J's is set out in the section on post balance sheet events on page 16.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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As the J's did not become a subsidiary of Havens until after the year end for the 2017 accounting year, these accounts do not include any consolidation of the J's own transactions, assets or liabilities. As the J's is a registered charity whose objects are closely in line with those of Havens Hospices, it will not be necessary for any surpluses of income over expenditure to be gift aided to the parent company, as such surpluses would not be taxable provided they are applied towards the J's charitable work.

During the year, the charity commissioned £42,000 of services from the J's, for young adults living within the geographical catchment area of Havens' adult service users. The work commissioned was in line directly with the charitable objects of Havens.

The trustees recognise that they are, themselves, considered to be related parties to the charity, as are specified categories of their close relatives, business partners or other associated parties. Similarly the executives, as the organisation's key management personnel, are identified as related parties to the organisation, together with their specified immediate relatives. Any transactions identified between the charity and these related parties are disclosed within these financial statements in accordance with the requirements of the *Charities SORP FRS 102*, including aggregate values of donations made to the charity.

When receiving donations from related parties, the trustees consider whether the size or any restrictions attaching could impact significantly on the charity's good governance, future direction or day to day operations. Any such donations (if accepted) would be disclosed individually in the charity's financial statements, but none of this nature has been received for 2017 or for 2016.

Two outside organisations assisted with providing care during the year in patients' own homes. SPDNS supported Havens' hospice at home service until November 2016, at which point this was brought in house by mutual agreement and is now managed by the charity. The nurses and carers employed by SPDNS who had delivered this service were TUPE'd to Havens Hospices at that point in time.

As described under the services provided section on page 6, *Provide* (the trading name of *Central Essex Community Services*) runs *EPIC*, a home based, short break service for children with palliative care needs. Havens Hospices currently provides 53% of the funding of that service, with the remaining funds coming from the Essex CCGs as co-commissioners. Increased demand for this service over the year, together with pressure from the CCGs, has prompted *Provide* to initiate a review of the service delivery model after the balance sheet date. The outcome of this review will be recorded in next year's trustees' report for Havens Hospices.

### Remuneration policy for key management personnel

The trustees have identified the executive team as the key management personnel of the charity. Executive pay is determined by the governance committee (a sub-committee of the trustees). In line with the remuneration policy for all staff, decisions about executive pay are informed by market testing of salaries and are subject to affordability. Following such a review of the executive team's salary, one director was awarded a 1% increase in the 2017 accounting year, taking effect from September 2016.

### Policy for employment of disabled persons

The charity is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training of, and provision of flexible working hours for, disabled employees to ensure that their career development is not unfairly restricted by their disability, or by perceptions of it. The group's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the group, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the group. Retraining of any employees who became disabled whilst employed by companies within the Havens group would be offered where appropriate.

### Employee involvement

Employees are encouraged to engage with activities and discussions taking place around the organisation. Staff notice boards and email groups are used to keep staff aware of urgent or important issues, with consultation meetings and "walkabouts" conducted by the chief executive and trustees to give employees the chance to ask questions on specific issues.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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Havens Hospices' intranet, known as *i-Hub*, provides charity staff with information about the group's activities, its staff handbook, policies and procedures, as well as communicating issues such as the financial and economic factors affecting the performance of the organisation. The intranet site includes functionality that enables employees to express views anonymously on matters that affect them, and the group undertakes a regular staff surveys to canvas views on significant matters. Staff participate regularly in a wide range of fundraising events to raise money for the charity, from running the London Marathon to making thank you cards for supporters. Additionally, internal events like coffee mornings and volunteer forums bring together staff and volunteers from across different departments to engage with each other and with senior management.

### Fundraising

The Etherington Report published in September 2015 placed an expectation on charities to better protect their donors and to be more transparent about their fundraising and communication methods. The aim is to place the control back with the donors, who can choose who they support and how they receive information and fundraising requests.

During the year, all of Havens' fundraising and communications staff were retrained on the Data Protection Act and the fundraising codes of practice. In particular, training was given on identifying and supporting vulnerable existing or potential donors and supporters, to ensure their interests are adequately protected. All Havens' fundraisers are trained to spot actions or behaviours which could mean that those individuals may not be aware of the impact on themselves arising from their support or from their donations. The charity's fundraisers also attend regular compulsory training regarding the safeguarding of vulnerable adults and children. This includes drop-in sessions on safeguarding run by appropriately qualified and experienced care staff during the year, to allow fundraisers to ask questions and check that their knowledge is up to date.

Havens fundraises primarily through its local community by encouraging one-off and regular donations through third party events organised by supporters themselves, via events arranged by the charity (including runs, swims, cycles, challenges, balls and quiz nights), through committed giving such as by direct debits or the weekly draw, or via donations of goods to and purchases from its charity shops. Corporate fundraising takes place directly with local and London-based businesses, as well as via corporate fundraising schemes or through partnerships with the umbrella bodies for hospice care, Together for Short Lives (*TfSL*) and Hospice UK. Havens also works with an external company, *Gateway Fundraising*, to help recruit members for its weekly draw. Training is provided to all canvassers for this draw, and all activity undertaken by *Gateway* is monitored through weekly reports and "mystery shopping" to ensure the effectiveness of the training and to check that solicitation statements being used are accurate.

The organisation adheres to all codes of practice ratified by the Fundraising Regulator and all its fundraisers are regularly trained and tested on these. Havens also complies with all relevant legislation including the Data Protection Act and Electronic Communications Privacy Regulations. All Havens' supporters receive a communication at least annually offering options on what information they may like to receive and when. Additionally, a "friendly check" is encouraged in all donor communications, in person and on the phone, to ensure supporters are happy with the way the charity is communicating with them.

The charity has implemented a "supporter promise" which states that:

- the charity will never sell donors' details to any third parties
- donors and supporters can choose the information they receive from the charity
- donors and supporters can choose how they are contacted - Havens undertakes never to contact them if they ask the charity not to
- every year, the charity undertakes to check with its donors and supporters that Havens is still complying with their personal communications preferences.

The hospice has a clear complaints policy and an organisational fundraising policy to guide acceptance of donations. These are checked and monitored via the charity's governance committees.

# Havens Christian Hospice

## Report of the trustees

For the year ended 31 March 2017

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The charity received 11 complaints between April 2016 and March 2017 relating to fundraising activity, including three issues regarding donations of goods made to its charity shops. These were resolved using Havens' internal complaints procedure and were reported to the Fundraising Standards Board (*FRSB*). In future, any such complaints will be reported to the new Fundraising Regulator which replaced the FRSB in July 2016.

### Statement of responsibilities of the trustees

The trustees (who are also directors of Havens Christian Hospice for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the *Charities SORP*
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditors

Sayer Vincent LLP were re-appointed as the group and charity's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 18 August 2017 and signed on their behalf by

Richard Player - Chairman

## Independent auditor's report

to the members of

### Havens Christian Hospice

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#### Opinion

We have audited the financial statements of Havens Christian Hospice ("the charitable company") for the year ended 31 March 2017 which comprise the consolidated statement of financial activities, group and parent charitable company balance sheets, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon.

The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independent auditor's report**

to the members of

**Havens Christian Hospice**

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

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

- the information given in the report of the trustees, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- the report of the trustees, including the strategic report, has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the trustees including the strategic 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 specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit.



## **Independent auditor's report**

**to the members of**

### **Havens Christian Hospice**

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We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Joanna Pittman (Senior Statutory Auditor)

29 August 2017

for and on behalf of:

Sayer Vincent LLP, Statutory Auditors, Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

*Sayer Vincent LLP is eligible to act as auditors in terms of section 1212 of the Companies Act 2006*

# Havens Christian Hospice

## Consolidated statement of financial activities *(incorporating an income & expenditure account)*

For the year ended 31 March 2017

		<b>2017</b>			<b>2016</b>	
	Note	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>	Restricted	Unrestricted
		£000's	£000's	£000's	£000's	£000's
<b>Income from:</b>						
Donations and legacies	2	1,992	2,477	<b>4,469</b>	2,379	2,679
Charitable activities:	3					
Adult hospice		-	768	<b>768</b>	-	768
Adult community services		-	403	<b>403</b>	-	347
Children's hospice		363	102	<b>465</b>	363	102
Children's community services		-	-	<b>-</b>	-	-
		<b>363</b>	<b>1,273</b>	<b>1,636</b>	<b>363</b>	<b>1,217</b>
Trading activities	4	912	2,931	<b>3,843</b>	745	2,814
Investments	5	27	48	<b>75</b>	25	46
Other sources		1	61	<b>62</b>	-	80
<b>Total income</b>		<b>3,295</b>	<b>6,790</b>	<b>10,085</b>	<b>3,512</b>	<b>6,836</b>
<b>Expenditure on:</b>	12					
Raising funds		476	874	<b>1,350</b>	487	856
Charitable activities:						
Adult hospice		631	1,996	<b>2,627</b>	611	1,876
Adult community services		-	963	<b>963</b>	-	972
Children's hospice		491	1,636	<b>2,127</b>	248	1,937
Children's community services		236	-	<b>236</b>	238	-
		<b>1,358</b>	<b>4,595</b>	<b>5,953</b>	<b>1,097</b>	<b>4,785</b>
Trading activities		1,195	1,423	<b>2,618</b>	922	1,268
<b>Total expenditure</b>		<b>3,029</b>	<b>6,892</b>	<b>9,921</b>	<b>2,506</b>	<b>6,909</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		266	(102)	<b>164</b>	1,006	(73)
Realised gain on disposal of investments	14	-	67	<b>67</b>	-	-
Unrealised gain / (loss) on investments	14	-	83	<b>83</b>	-	(23)
Unrealised gain / (loss) on cash investment	20	-	1	<b>1</b>	-	(1)
<b>Net income / (expenditure) for the year</b>	6	266	49	<b>315</b>	1,006	(97)
Transfers between funds	30, 31	(265)	265	<b>-</b>	(1,836)	1,836
<b>Net movement in funds</b>		<b>1</b>	<b>314</b>	<b>315</b>	<b>(830)</b>	<b>1,739</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	30, 31	2,248	11,979	<b>14,227</b>	3,078	10,240
<b>Total funds carried forward</b>	30, 31	<b>2,249</b>	<b>12,293</b>	<b>14,542</b>	<b>2,248</b>	<b>11,979</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Notes 30 and 31 to the financial statements.

# Havens Christian Hospice

## Balance sheets

Company no.

2805007

As at 31 March 2017

		The group		The charity	
	Note	2017 £000's	2016 £000's	2017 £000's	2016 £000's
<b>Fixed assets</b>					
Tangible assets	13	8,101	7,966	7,848	7,708
Listed investments	14	933	1,396	933	1,396
Investments in subsidiary undertakings	15, 16	-	-	75	75
		<b>9,034</b>	<b>9,362</b>	<b>8,856</b>	<b>9,179</b>
<b>Current assets</b>					
Stocks	18	105	111	-	-
Debtors	19	929	865	954	953
Current investment cash deposits	20	2,515	2,644	2,515	2,644
Cash at bank and in hand		2,667	1,939	2,661	1,920
		<b>6,216</b>	<b>5,559</b>	<b>6,130</b>	<b>5,517</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	21	(666)	(664)	(613)	(581)
<b>Net current assets</b>		<b>5,550</b>	<b>4,895</b>	<b>5,517</b>	<b>4,936</b>
<b>Total assets less current liabilities</b>		<b>14,584</b>	<b>14,257</b>	<b>14,373</b>	<b>14,115</b>
<b>Provisions for liabilities and charges</b>	23	(42)	(30)	-	(2)
<b>Net assets</b>	24, 25, 30 & 31	<b>14,542</b>	<b>14,227</b>	<b>14,373</b>	<b>14,113</b>
<b>Funds</b>					
Restricted funds		<b>2,249</b>	<b>2,248</b>	<b>2,249</b>	<b>2,248</b>
Unrestricted funds:					
Designated funds:					
Fixed assets reserve		8,101	7,966	7,848	7,708
New adult hospice appeal reserve		1,750	1,750	1,750	1,750
Total designated funds		<b>9,851</b>	<b>9,716</b>	<b>9,598</b>	<b>9,458</b>
General funds		<b>2,442</b>	<b>2,263</b>	<b>2,526</b>	<b>2,407</b>
Total unrestricted funds		<b>12,293</b>	<b>11,979</b>	<b>12,124</b>	<b>11,865</b>
<b>Total funds</b>	29, 30, 31	<b>14,542</b>	<b>14,227</b>	<b>14,373</b>	<b>14,113</b>

Included within general funds is a fair value reserve for unrealised gains on investments of £209,000 (2016: £126,000).

Approved by the trustees on 18 August 2017 and signed on their behalf by

Reg Ramm - Treasurer

# Havens Christian Hospice

## Consolidated statement of cash flows

For the year ended 31 March 2017

	2017		2016	
	£000's	£000's	£000's	£000's
<b>Cash flows from operating activities:</b>				
<b>Net cash provided by (used in) operating activities</b>		<b>307</b>		<b>1,244</b>
<b>Cash flows from investing activities:</b>				
Dividends, interest and rents from investments	67		59	
Gross investment fees drawn from portfolios	(13)		(11)	
Purchase of fixed assets	(379)		(2,169)	
Proceeds from withdrawal of cash investment deposits	1,660		1,500	
Purchase of cash investment deposits	(1,514)		(1,040)	
Proceeds from sale of non-cash investments	600		-	
Purchase of non-cash investments	-		(241)	
<b>Net cash provided by (used in) investing activities</b>		<b>421</b>		<b>(1,902)</b>
<b>Net cash provided by (used in) financing activities</b>		<b>-</b>		<b>-</b>
<b>Change in cash and cash equivalents in the year</b>		<b>728</b>		<b>(658)</b>
Cash and cash equivalents at the beginning of the year		1,939		2,597
<b>Cash and cash equivalents at the end of the year</b>		<b>2,667</b>		<b>1,939</b>

### Reconciliation of net income / (expenditure) to net cash flow from operating activities:

	2017	2016
	£000's	£000's
<b>Net income / (expenditure) reported for the year</b>	<b>315</b>	<b>909</b>
Depreciation charges	244	235
(Gains) / losses on listed and cash investments	(151)	24
Dividends, interest and rents from investments	(67)	(59)
Investment management fees	10	13
Decrease / (increase) in stocks	6	(43)
(Increase) / decrease in debtors	(64)	253
Increase / (decrease) in creditors	2	(32)
Increase / (decrease) in provisions	12	(56)
<b>Net cash provided by / (used in) operating activities</b>	<b>307</b>	<b>1,244</b>

### Analysis of cash and cash equivalents:

	At 1	Net	At 31
	April	cash	March
	2016	flows	2017
	£000's	£000's	£000's
Cash in hand and at bank (total cash and cash equivalents)	1,939	728	2,667

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

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### 1. Accounting policies

#### (a) Basis of preparation and consolidation

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

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

These financial statements consolidate the results of the charitable company and its wholly owned subsidiaries held at the balance sheet date of 31 March 2017:

- Havens Hospice Trading Company Limited (registered company no. 2582455)
- Havens Development Company Limited (registered company no. 6245406)

Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the Notes to the charitable company's balance sheet. Intragroup transactions and balances are disclosed in Note 10.

A separate Statement of Financial Activities for the charity itself is not presented because the charitable company has taken advantage of exemptions afforded by section 408 of the Companies Act 2006.

#### (b) Compliance with *FRS 102*: holiday pay recognition

In preparing these accounts, the trustees have considered whether, in applying the accounting policies required by *FRS 102* and *Charities SORP FRS 102*, an accrual for the value of untaken staff annual leave is necessary. In this regard, the trustees had previously calculated the value of potential accrued holiday pay at 31 March 2015 and 2016, and determined that the liability was not sufficiently material to justify recognition of this value in either years' accounts. As the work required to ascertain this was considerable and the value of untaken annual leave is not likely to change significantly from year to year, the trustees have chosen not to repeat the exercise of holiday pay valuation for the year ended 31 March 2017.

The trustees will keep this under review in future years, and will recalculate the value of untaken leave if circumstances change to result in this accrual becoming material.

#### (c) Public benefit entity

The charitable company meets the definitions of a public benefit entity under *FRS 102*.

#### (d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. In reaching this opinion, the trustees review the charity's reserves policy regularly and satisfy themselves that the level of reserves is sufficient to enable the organisation to continue to operate and to achieve its goals.

The trustees also do not consider that there are any areas of uncertainty affecting accounting estimations at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Key judgments that the charitable company has made which have a significant effect on the accounts include determining the value of legacy income to accrue at the end of the financial year, in accordance with the charity's policy for income recognition.

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

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### 1. Accounting policies (continued)

#### (e) Incoming resources

Income is included in the SOFA when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received, the income is not deferred and the amount can be measured reliably. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met. Legacy income is recognised at the earlier of receipt or when the charity has been notified of its entitlement, probate has been granted, distribution is expected within twelve months, and estate accounts have been provided enabling the charity to measure the value of its entitlement reliably. Where the criteria for income recognition have not been met for legacies which have been notified to the charity, the income is treated as a contingent asset and the total disclosed in the Notes to these accounts (see Note 28).

#### (f) Donations of goods and services

Donated goods are recognised as income when the economic benefit from their use can be measured reliably. Items donated for sale via charity shops, or for use as raffle prizes or by auction at fundraising events, are recognised as income when sold or when income is generated from them rather than on receipt. The principle donated goods recognised in these financial statements is the provision of free drugs and medical supplies by local pharmacies or NHS hospitals. The value included in the accounts is the amount the charity would have paid to obtain supplies of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. The charity receives no donated services other than time generously given by its volunteers, for which no value is included in the financial statements in accordance with the *Charities SORP*, and some *pro bono* legal services provided by local solicitors BTMK, to assist in the removal of squatters at one of its premises during the year.

#### (g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably.

#### (h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the expenditure incurred in inducing third parties to make voluntary contributions to the charity, as well as the cost of activities whose primary purpose is fundraising.
- Expenditure on charitable activities includes all costs of delivering hospice care services, undertaken to further the purposes of the charity, together with the associated direct support costs.
- Costs of trading activities relate to expenditure on raising funds by means of charity shops, weekly draws, scratchcards and challenge-style fundraising events.

Irrecoverable VAT is charged as a cost against the activities for which the underlying expenditure was incurred. Since 1 April 2015, irrecoverable VAT has been minimised as a result of the introduction of Section 33 VAT relief for palliative care charities, under which the charity is able to recover VAT relating to its core care services and on some fundraising costs, in addition to a proportion of the VAT incurred on corporate overheads.

#### (i) Pensions

A number of the group's employees contribute to either defined contribution or Group Personal Pension Schemes in which the employers participate, or to the NHS pension scheme. Further details are set out in Note 9. The group's contributions to these schemes are charged to the Statement of Financial Activities when they fall due.

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

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### 1. Accounting policies (continued)

#### (j) Allocation of support and governance costs

Resources expended are allocated to the appropriate activities under the headings identified in (h) above, with spend on charitable activities being sub-divided between the four main areas of the charitable company's care services as defined on page 7. The cost of overall direction and administration of the charity, comprising the salary and overhead costs of the executives, finance and human resources functions, is apportioned to the charitable activities, activities for raising funds and trading activities as set out in the analysis of expenditure note (Note 12). The apportionment is based on an estimation of the relative use of these central overhead resources by the respective activities. Costs incurred in the governance of the charity and its trading company, which result primarily from constitutional and statutory requirements, are apportioned to key activities on a similar basis.

#### (k) Operating leases

Annual rentals, net of all aggregated lease inducements where applicable, are charged to the profit and loss account on a straight-line basis over the whole term of the lease.

#### (l) Tangible fixed assets and depreciation

Items of equipment or other assets of an enduring nature are capitalised where the purchase price, individually or as part of a single project, exceeds £5,000.

Depreciation charges commence when an asset is brought into use, and are spread evenly at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Depreciation is applied to all fixed assets except freehold land, and is calculated at the following rates:

Freehold buildings	- over 25 to 100 years as appropriate
Premiums paid on short leaseholds	- over the term of the lease
Fixtures and fittings, furniture, equipment and shop-fit costs	- over 7 years or over useful life if shorter
Motor vehicles	- over 4 years
Computer hardware and software	- over 3 years or over useful life if longer

Assets are reviewed for impairment if circumstances indicate that their carrying value may exceed their net realisable value and value in use.

Tangible fixed assets include assets under construction, which relate to the accumulated property development and land purchase costs incurred in the project to build a new adult hospice, including the related site search, design and planning costs, all of which have been capitalised. Assets under construction are not depreciated until the asset is brought into use.

#### (m) Investments

**Listed investments** are a form of basic financial instrument, which are initially recognised in the financial statements at their transaction value and subsequently measured at their fair value as at the balance sheet date, using the closing quoted market price. Any change in fair value which results from this is recognised in the statement of financial activities. **Investments in subsidiary undertakings** are stated at cost in the charity's accounts, and are eliminated as a consolidation adjustment in the group financial statements.

#### (n) Cash investments, and cash at bank and in hand

Cash deposits held as investments for the longer term (more than two years) are classified as fixed asset investments, whereas deposits held for more than three months but less than two years, and which are not part of the day to day cash balances of the charitable company or its subsidiaries, are classified as current asset investments. Cash at bank and in hand includes cash in current accounts or with deposits maturing in three months or less from the date of acquisition. Cash balances do not include any funds held on behalf of service users.

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

### 1. Accounting policies (continued)

#### (o) Stocks

Stocks of donated items for resale in the charity shops are not valued, as the trustees consider that it is impractical to apply a value to these items and that the costs of attempting to do so would outweigh any benefits. Consequently, the stock value carried in the group's balance sheet relates entirely to bought-in goods not yet sold by Havens Hospices Trading Company. These stocks are valued at the lower of cost and net realisable value, with cost value based on purchase prices - including any invoiced delivery or packaging cost - on a first in, first out basis. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for costs of sale. Provision is made where necessary for obsolete, slow moving or defective stocks.

#### (p) Creditors and provisions

Creditors and provisions are recognised where the charity or its subsidiaries have a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. The charity and its subsidiary undertakings only have financial assets and liabilities of a kind that qualify as basic financial instruments.

#### (q) Funds

Restricted funds are those where the purpose for use has been restricted by the givers. Expenditure which meets the relevant criteria is charged to the appropriate restricted funds.

Designated funds are unrestricted funds set aside by the trustees for specific purposes.

Unrestricted funds are monies which can be used for any of the charitable company's operations at the trustees' discretion.

Transfers between funds are carried out in order to:

- i) designate funds to reflect the carrying value of fixed assets, including the value of assets under construction for the new adult hospice, to recognise that these are not freely expendable reserves
- ii) designate funds for other specified purposes
- iii) recognise that restrictions placed on capital grants have been satisfied by their expenditure, or
- iv) cover any deficiency in restricted funds.

#### (r) Taxation

The charitable company is exempt from corporation tax as all of its income is charitable and is applied for charitable purposes. Available taxable profits arising in subsidiary companies which are not charities sharing Havens Hospices' objects are donated to the parent charity under gift aid.

### 2. Income from donations and legacies

	Capital restricted £000's	Other restricted £000's	Unrestricted £000's	2017 Total £000's	2016 Total £000's
Donations and voluntary income	356	263	2,349	2,968	3,879
Legacies	10	1,363	128	1,501	1,179
	<u>366</u>	<u>1,626</u>	<u>2,477</u>	<u>4,469</u>	<u>5,058</u>



# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

### 2. Income from donations and legacies (continued)

Donations and voluntary income for "capital restricted" purposes relate to the capital appeal for *new Fair Havens*, funds for which are restricted to the development of the planned new adult hospice. "Other restricted voluntary income" is split as follows:

	Donations £000's	Legacies £000's	2017 Total £000's	2016 Total £000's
Adult hospice	92	522	614	575
Adult community services	54	-	54	64
Children's hospice	108	841	949	778
Children's community services	9	-	9	-
	<b>263</b>	<b>1,363</b>	<b>1,626</b>	<b>1,417</b>

Legacy income includes accruals for bequests where the charity has been notified of its entitlement, probate has been granted, distribution is expected within twelve months, and estate accounts or other documents evidencing the estate value have been provided to enable the charity to measure the value of its entitlement reliably. The charity has reviewed the legacy entitlements notified to it and has accrued £535,000 (2016: £507,000) in line with this criteria. A total of £40,000 (2016: £76,000) of legacy pipeline which does not meet the new estimation criteria is, however, treated by the charity as a contingent asset at March 2017 (see Note 28). £28,000 of legacy accrual held at the previous year end remained outstanding at 31 March 2017 (2016: £22,000).

### 3. Income from charitable activities

	Restricted £000's	Unrestricted £000's	2017 Total £000's	2016 Total £000's
<b>Adult hospice:</b>				
South East Essex CCGs *	-	768	768	768
<b>Adult community services:</b>				
South East Essex CCGs *	-	403	403	347
<b>Children's hospice:</b>				
South East Essex CCGs **	-	102	102	102
NHS England revenue funding (Notes 30 and 31)	363	-	363	363
	<b>363</b>	<b>102</b>	<b>465</b>	<b>465</b>
<b>Children's community services:</b>				
No income received by the charity directly	-	-	-	-
	<b>363</b>	<b>1,273</b>	<b>1,636</b>	<b>1,580</b>

\* Grant funding from NHS Clinical Commissioning Groups, mostly Southend and Castle Point & Rochford CCGs, £411,000 of the latter being co-funded by the Better Care Fund administered by Essex County Council (2016: £411,000), plus £106,000 CHC fast track funding from Castle Point & Rochford CCG (2016: £50,000)

\*\* Grant funding from NHS Clinical Commissioning Groups, notably Southend CCG, Castle Point & Rochford CCG, Basildon & Brentwood CCG and Thurrock CCG

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

### 4. Income from trading activities

	<b>Restricted</b>	<b>Unrestricted</b>	<b>2017</b>	<b>2016</b>
	<b>£000's</b>	<b>£000's</b>	<b>Total</b>	<b>Total</b>
			<b>£000's</b>	<b>£000's</b>
Charity shops	911	1,511	<b>2,422</b>	2,253
Weekly draw subscriptions	-	994	<b>994</b>	949
Challenge fundraising events	1	416	<b>417</b>	357
Charges for use of charity brand / logo	-	10	<b>10</b>	-
	<b>912</b>	<b>2,931</b>	<b>3,843</b>	<b>3,559</b>

### 5. Income from investments

	<b>Capital</b>	<b>Other</b>	<b>Unrestricted</b>	<b>2017</b>	<b>2016</b>
	<b>restricted</b>	<b>restricted</b>		<b>Total</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Dividends and portfolio income	-	-	37	<b>37</b>	31
Interest on cash investments	18	-	3	<b>21</b>	20
Interest on cash or equivalents	-	-	8	<b>8</b>	12
Rental income	-	9	-	<b>9</b>	8
	<b>18</b>	<b>9</b>	<b>48</b>	<b>75</b>	<b>71</b>

### 6. Net income / (expenditure) for the year

	<b>2017</b>	<b>2016</b>
	<b>£000's</b>	<b>£000's</b>
This is stated after charging / (crediting):		
Depreciation	<b>244</b>	235
Auditors' remuneration:		
Audit	<b>21</b>	20
Other services	<b>1</b>	1
Operating lease rentals:		
Land and buildings	<b>447</b>	380
Printers and copiers	<b>10</b>	9
Motor vehicles	<b>8</b>	13
Donations from trustees	<b>(13)</b>	(13)
Donations from key management personnel	<b>(1)</b>	(1)

### 7. Analysis of staff costs, trustee remuneration & expenses, and cost of key management personnel

Staff costs incurred during the year were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000's</b>	<b>£000's</b>
Salaries and wages	<b>5,434</b>	5,299
National insurance	<b>436</b>	411
Employer's contributions to pension schemes (see Note 9)	<b>504</b>	546
Redundancy and termination costs	<b>2</b>	8
Payroll related costs	<b>6,376</b>	6,264
Other staff costs	<b>50</b>	86
	<b>6,426</b>	<b>6,350</b>

No trustees received pay or other benefits from the charity in the year (2016: £nil), and no trustees received payment for professional or other services supplied to the charity (2016: £nil). Three trustees claimed expenses for attending to charity business during the year, the total value of which was £255 (2016: three trustees claimed £496 in aggregate). The value of expenses waived by trustees was not material in either year. The charity paid £1,893 of premiums in the year for trustee indemnity insurance (2016: £1,824).

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

### 7. Analysis of staff costs, trustee remuneration & expenses, and cost of key management personnel (continued)

The following number of employees received total remuneration during the year, excluding employer's pension and National Insurance contributions, in the stated value bands:

	2017 No.	2016 No.
£60,001 - £69,999	3	2
£70,000 - £79,999	1	1

The total employee benefits, including National Insurance and pension contributions, of the key management personnel in the 2017 accounting year were £477,000 (2016: £498,000). One member of key management, Mr T Johnson (Director of HR and Trading, who is employed by Havens Hospices Trading Ltd), received an interest free loan of £1,500 in the year (2016: £3,500) of which £1,200 remained outstanding at the year end (2016: £3,200).

### 8. Staff numbers

The average number of employees was:

	2017 No.	Headcount 2016 No.	Full time equivalent 2017 No.	2016 No.
Adult hospice	70	69	55.4	54.9
Adult community services	35	25	25.3	18.7
Children's hospice	53	55	44.0	44.9
Activities for raising income	34	33	27.5	26.5
Trading activities	62	55	49.4	46.0
Support and governance activities	22	24	20.5	22.0
	<b>276</b>	<b>261</b>	<b>222.1</b>	<b>213.0</b>

No staff are employed in children's community hospice services, which are commissioned from a community interest company trading as *Provide* as described on page 6 of the trustees' annual report.

### 9. Pensions and benefits

Group companies contribute to a group personal pension scheme operated by Scottish Widows, and a defined contribution personal pension scheme operated by Winterthur Life, the assets of which are both held separately from those of the group in independently administered funds. Employee members of the Scottish Widows scheme have an option to commit to taking a salary sacrifice that is equivalent to the amount of their chosen personal contribution.

The charity also contributes to the NHS Pension Scheme, an unfunded final salary scheme under which contributions for employees and employers are paid to the government's Exchequer, which in turn meets the cost of benefits as and when they fall due. To assess an appropriate contribution rate, historically there has been an associated notional fund of assets deemed to be invested in UK government stocks. The scheme is open to all NHS employees and eligible employees of other approved organisations, of which the charity is one such approved participating employer. Every four years, the government's actuary conducts a full review of contribution rates. The review carried out as at March 2012 concluded (a) that the employer contribution rate from April 2014 would be 14.3% of pensionable pay, to be reassessed at the actuarial valuation carried out for March 2016, and (b) that the notional fund value at March 2012 stood at £230 billion, with scheme liabilities of £240 billion, producing a net deficit for the scheme of £10 billion. The increase in employer contribution was introduced to help reduce this notional deficit.

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

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### 9. Pensions and benefits (continued)

Employees participating in the NHS scheme contribute on a tiered scale from 5% to 14.5% of their pensionable pay. The charity has no further liability arising from its participation in this scheme, over and above its employer contributions. From 1 April 2017, a levy of 0.08% towards scheme administration costs has been added to employer contributions, increasing the total employer rate to 14.38% of pensionable pay for active scheme members.

The combined contributions payable by the group into all pension schemes for the year amounted to £508,000 (2016: £550,000). Contributions of £51,000 (2016: £37,000) were outstanding at the year end and are included in creditors.

In addition, the group contributes to an employee life assurance scheme, for which the contributions payable were £28,000 (2016: £28,000).

### 10. Related party transactions

Other than the related party transactions between group companies noted below, those disclosed in Note 6 (donations from trustees and their related parties, and donations from key management personnel and their related parties), and also the transactions disclosed in Note 7 (payments to employee pension schemes and employment benefits paid to key management personnel and to their related parties), there were no other related party transactions requiring disclosure (2016: £nil).

All of the disclosed transactions with related parties were made within the normal course of business, including any restrictions applied to donations which were restricted to purposes which were already part of the charity's approved business plan.

During the year, the charity commissioned £42,000 of services from The J's Hospice for young adults living within the geographical catchment area of Havens' adult service users. Subsequent to the balance sheet date, on 1 April 2017, The J's Hospice became a wholly owned subsidiary of the charity. The work commissioned was in line directly with the charitable objects of Havens Christian Hospice.

In the year to 31 March 2017, the charity paid its subsidiary company Havens Hospices Trading (HHT) a total of £414,000 (2016: £496,000) in management charges and other fees, and the charity charged HHT a total of £41,000 (2016: £51,000) in management fees and rent for shop premises. HHT transferred £517,000 (2016: £648,000) to Havens Christian Hospice for the value of donations arising under the retail gift aid scheme, net of donor commissions and VAT. The balance outstanding between the two companies at 31 March 2017 was £155,000 (2016: £223,000) due from HHT to the parent charity or to group companies.

The charity also paid its subsidiary company Havens Development (HDCL) £271,000 during the year (2016: £64,000) for the value of work undertaken by HDCL in the design of the planned new adult hospice, and the charity charged HDCL £31,000 (2016: £31,000) in management fees. HDCL donated its taxable profit of £7,000 (2016: £2,000) to Havens Christian Hospice. The balance outstanding between these two companies at 31 March 2017 was £3,000 (2016: £2,000) due from the parent charity or from group companies to HDCL.

### 11. Taxation

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

Available taxable profits in the subsidiaries are donated to the parent charity under gift aid. As a result of this, or due to taxable losses incurred, there were no profits chargeable to corporation tax in either subsidiary company in the 2017 or 2016 tax years.

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

12. Analysis of expenditure	Costs of raising income £000's	Costs of trading activities £000's	Adult hospice £000's	Children's hospice £000's	Adult community services £000's	Children's community services £000's	Support costs £000's	Governance costs £000's	2017 Total £000's	2016 Total £000's
Staff costs (Note 7)	708	1,064	1,633	1,372	703	-	892	54	6,426	6,350
Non-staff costs:										
Trading premises		636							636	531
Facilities, IT, property, catering			160	234	8		1		403	313
Weekly draw		364							364	222
Events	264	53							317	211
Other trading		295							295	275
Depreciation	5	70	82	74	1		12		244	235
Medical consultancy			144	81					225	156
Community hospice					206				206	257
EPIC (children's short breaks)						202			202	202
Fundraising	191								191	251
In-patient care			121	66					187	168
General support and governance	1	6					80	16	103	123
Insurance and life assurance		18					41		59	60
Education and training		2	13	14			26		55	39
Day care / bereavement support			2	2	4				8	22
Governance of trading subsidiary		(6)						6	-	-
Total costs of activities	1,169	2,502	2,155	1,843	922	202	1,052	76	9,921	9,415
Support costs	169	106	337	266	143	31	(1,052)	-	-	-
Governance costs	12	11	23	18	10	2	-	(76)	-	-
<b>Total expenditure 2016</b>	<b>1,350</b>	<b>2,619</b>	<b>2,515</b>	<b>2,127</b>	<b>1,075</b>	<b>235</b>	<b>-</b>	<b>-</b>	<b>9,921</b>	<b>9,415</b>
<i>Total costs of activities 2016</i>	<i>1,153</i>	<i>2,108</i>	<i>2,100</i>	<i>1,877</i>	<i>824</i>	<i>202</i>	<i>1,076</i>	<i>75</i>		<i>9,415</i>
<i>Support costs 2016</i>	<i>178</i>	<i>73</i>	<i>363</i>	<i>289</i>	<i>139</i>	<i>34</i>	<i>(1,076)</i>			<i>-</i>
<i>Governance costs 2016</i>	<i>12</i>	<i>9</i>	<i>24</i>	<i>19</i>	<i>9</i>	<i>2</i>		<i>(75)</i>		<i>-</i>
<i>Total expenditure 2016</i>	<i>1,343</i>	<i>2,190</i>	<i>2,487</i>	<i>2,185</i>	<i>972</i>	<i>238</i>	<i>-</i>	<i>-</i>		<i>9,415</i>

Of total expenditure, £6,892,000 was unrestricted (2016: £6,909,000), and £3,029,000 restricted (2016: £2,506,000). Restricted costs included £81,000 of capital appeal costs for *new Fair Havens* (2016: £83,000).

Support costs cover central service functions which have been allocated to the main activities of the charity on a basis deemed consistent with the use of those resources. In accordance with the requirements of *Charities SORP FRS 102*, governance costs are also apportioned across the organisation's principle activities on a similar basis. The £6,000 of governance costs attributed to the trading subsidiary, Havens Hospices Trading Ltd, are its own (2016: £6,000).

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

### 13. Tangible fixed assets

#### For the group:

	Freehold land & property £000's	Assets under construction £000's	Furnishings, fittings, computers & equipment £000's	Motor vehicles £000's	Total £000's
<b>Cost</b>					
At 1 April 2016	6,500	1,809	1,072	81	9,462
Additions in year	-	265	114	-	379
Disposals in year	-	-	-	-	-
<b>At 31 March 2017</b>	<b>6,500</b>	<b>2,074</b>	<b>1,186</b>	<b>81</b>	<b>9,841</b>
<b>Depreciation</b>					
At 1 April 2016	989	-	429	78	1,496
Charge for the year	63	-	178	3	244
Eliminated on disposal	-	-	-	-	-
<b>At 31 March 2017</b>	<b>1,052</b>	<b>-</b>	<b>607</b>	<b>81</b>	<b>1,740</b>
<b>Net Book Value</b>					
<b>At 31 March 2017</b>	<b>5,448</b>	<b>2,074</b>	<b>579</b>	<b>-</b>	<b>8,101</b>
At 31 March 2016	5,511	1,809	643	3	7,966

#### For the charity:

	Freehold land & property £000's	Assets under construction £000's	Furnishings, fittings, computers & equipment £000's	Motor vehicles £000's	Total £000's
<b>Cost</b>					
At 1 April 2016	6,500	1,855	698	65	9,118
Additions in year	-	271	43	-	314
Disposals in year	-	-	-	-	-
<b>At 31 March 2017</b>	<b>6,500</b>	<b>2,126</b>	<b>741</b>	<b>65</b>	<b>9,432</b>
<b>Depreciation</b>					
At 1 April 2016	989	-	359	62	1,410
Charge for the year	63	-	108	3	174
Eliminated on disposal	-	-	-	-	-
<b>At 31 March 2017</b>	<b>1,052</b>	<b>-</b>	<b>467</b>	<b>65</b>	<b>1,584</b>
<b>Net Book Value</b>					
<b>At 31 March 2017</b>	<b>5,448</b>	<b>2,126</b>	<b>274</b>	<b>-</b>	<b>7,848</b>
At 31 March 2016	5,511	1,855	339	3	7,708

All of the above assets are used for charitable purposes, or for trading purposes the objective of which is to generate profits to fund the core work of the charity.

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

### 13. Tangible fixed assets (continued)

Freehold property includes the original purchase cost of 124/126 Chalkwell Avenue at a valuation of £400,000 carried out by N Deacon FRICS, an independent surveyor, in 1991, on an existing open market basis. The group has taken advantage of the transitional provisions of financial reporting standard *FRS 102* to retain the existing book values, including those of its unimpaired tangible fixed assets which were previously stated at valuation. All refurbishment costs or new building purchases since that date are included at cost. Freehold land and property includes an amount of £2,046,000 (2016: £2,046,000) relating to freehold land, which is not depreciated.

"Assets under construction" reflects professional design and planning fees in connection with the ongoing project to build the new adult hospice. The group balance for assets under construction is less than that for the charity due to intragroup profits relating to work on the new hospice by Havens Development Company. In its own accounts, the charity has capitalised the full invoiced value of work in progress, but the element of intragroup profit of £52,000 has been removed in the group accounts (2016: £45,000).

### 14. Listed investments

Listed investments comprise:

	The group		The charity	
	2017	2016	2017	2016
	£000's	£000's	£000's	£000's
Market value at the start of the year	1,396	1,180	1,396	1,180
Additions during the year at cost	-	250	-	250
Investment management fees paid from portfolios	(13)	(11)	(13)	(11)
Disposals withdrawn as cash during the year	(600)	-	(600)	-
Realised net gain on disposals	67	-	67	-
Unrealised gain / (loss) on revaluation	83	(23)	83	(23)
Market value at the end of the year	<u>933</u>	<u>1,396</u>	<u>933</u>	<u>1,396</u>
Historic cost at the end of the year	<u>724</u>	<u>1,270</u>	<u>724</u>	<u>1,270</u>

All listed investments are held in the United Kingdom and are valued at mid-market value. The charity's two portfolios are under the management of Investec Wealth & Investment, and are held and managed in a number of pooled funds and unit trusts. Consequently, details of individual investments are not disclosed here. No investments in individual company shares represented over 5% of the total value of the portfolios. Cash balances within the portfolios at the end of the year were held as an asset class as part of the agreed investment ranges, rather than being held by Investec pending reinvestment. The fair value reserve for unrealised gains on investments is the difference between their market value and historic cost, which at 31 March 2017 was £209,000 (2016: £126,000). During the year, at the trustees' request, Investec disposed of £600,000 of the portfolios' values, taking advantage of buoyant markets to realise gains totalling £67,000.

### 15. Investments in subsidiary undertakings

	The group		The charity	
	2017	2016	2017	2016
	£000's	£000's	£000's	£000's
Cost of investment in subsidiary undertakings incorporated in the UK	<u>-</u>	<u>-</u>	<u>75</u>	<u>75</u>

The investments in subsidiary companies represent 100% of the issued share capital of:

Havens Hospice Trading Company Limited: £75,100  
Havens Development Company Limited: £1

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

### 16. Subsidiary undertakings' summarised results

At the balance sheet date, the charity had two wholly owned and active subsidiary companies registered in England, Havens Hospices Trading Company (HHT) and Havens Development Company (HDCL). The registered office of both companies is that of the parent charity. HHT's principal purpose is to generate income for the benefit of the hospices from the sale primarily of donated goods. Its financial results are consolidated line by line in the Statement of Financial Activities. HDCL was established to undertake the project of building the *new Fair Havens* adult hospice facility. All work incurred by HDCL in the planning, design and work-in-progress for constructing the new hospice is invoiced to the charity in full periodically, and capitalised in the charity's accounts. Available taxable profits from either subsidiary are gift aided to the parent charity (see Note 11), and transactions between the parties are disclosed in Note 10.

Summary results of the subsidiary undertakings:	HHT £000's	HDCL £000's	2017 £000's	2016 £000's
Gross turnover	2,685	271	2,956	2,622
Gift aided sales transferred to charity as donations	(495)	-	(495)	(620)
Net turnover	2,190	271	2,461	2,002
Cost of sales	(134)	(265)	(399)	(185)
Gross profit	2,056	6	2,062	1,817
Other operating income	10	-	10	8
Administrative expenses	(2,005)	-	(2,005)	(1,805)
Operating profit	61	6	67	20
Gift aided donations made to parent undertaking	-	(6)	(6)	(2)
Profit for the financial year	<b>61</b>	<b>-</b>	<b>61</b>	<b>18</b>

The aggregate of the assets, liabilities and funds was:

Assets	551	4	555	570
Liabilities	(255)	(4)	(259)	(336)
Funds	<b>296</b>	<b>-</b>	<b>296</b>	<b>234</b>

As disclosed in Note 32 (post balance sheet events), subsequent to the year end - on 1 April 2017 - the charity also became the sole member and whole owner of The J's Hospice, a charity and company with objects closely related to its own. These consolidated accounts do not contain any transactions, assets or liabilities relating to that charity because the acquisition took place after the balance sheet date.

### 17. Parent charity's summarised results

The parent charity's gross income and the results for the year were:

	2017 £000's	2016 £000's
Gross income	8,345	8,941
Result for the year	260	892

### 18. Stocks

	The group		The charity	
	2017 £000's	2016 £000's	2017 £000's	2016 £000's
Bought in goods for resale by trading company	<b>105</b>	111	-	-



# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

### 19. Debtors

	The group		The charity	
	2017	2016	2017	2016
	£000's	£000's	£000's	£000's
Legacies receivable	535	529	535	529
Amounts due from subsidiaries	-	-	155	224
Prepaid expenses	234	228	106	95
Other debtors	105	56	104	56
VAT recoverable	51	51	50	48
Trade debtors	4	1	4	1
	<u>929</u>	<u>865</u>	<u>954</u>	<u>953</u>

### 20. Current investment cash deposits comprise:

	The group		The charity	
	2017	2016	2017	2016
	£000's	£000's	£000's	£000's
Bank and building society deposits	1,515	1,645	1,515	1,645
Royal London Asset Management Cash Plus Fund	1,000	999	1,000	999
	<u>2,515</u>	<u>2,644</u>	<u>2,515</u>	<u>2,644</u>

Short term deposits and investments are held to provide a return on short term cash. These are held in pooled funds or deposits of varying maturity dates of more than 3 but less than 24 months. There was a £1,000 unrealised gain in the value of the Royal London pooled fund during the year (2016: £1,000 loss).

### 21. Creditors: amounts due within one year

	The group		The charity	
	2017	2016	2017	2016
	£000's	£000's	£000's	£000's
Deferred income (see Note 22)	212	257	212	256
Accrued expenses	152	145	112	117
Taxation and social security creditors	128	106	128	106
Trade creditors	123	119	107	63
Pension creditors	51	37	51	37
Amounts due to subsidiaries	-	-	3	2
	<u>666</u>	<u>664</u>	<u>613</u>	<u>581</u>

### 22. Deferred income

	The group		The charity	
	2017	2016	2017	2016
	£000's	£000's	£000's	£000's
Balance at the beginning of the year	257	272	256	272
Amount released to income in the year	(257)	(272)	(256)	(272)
Amount deferred in the year	212	257	212	256
<b>Balance at the end of the year</b>	<u>212</u>	<u>257</u>	<u>212</u>	<u>256</u>

Deferred income comprises monies raised in respect of future fundraising activities which take place or fall due in the following accounting year. The income primarily relates to events such as the London Marathon and receipts in advance for future weekly draws (hospice lottery).

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

### 23. Provisions for liabilities and charges

	The group		The charity	
	2017	2016	2017	2016
	£000's	£000's	£000's	£000's
Balance at the beginning of the year	30	86	2	58
Released, utilised or transferred during the year	(6)	(58)	(2)	(58)
Provisions created during the year	18	2	-	2
<b>Balance at the end of the year</b>	<b>42</b>	<b>30</b>	<b>-</b>	<b>2</b>

Provisions relate primarily to potential dilapidations of shops and to utility costs. Following a review during the year, £4,000 of dilapidation provision was released (2016: £50,000 released re utility costs). A provision of £18,000 was made in March 2017 for the planned closure of Cranham charity shop in May 2017, reflecting accelerated depreciation on fixed assets which will not be transferable to other shops.

### 24. Analysis of group net assets between funds: as at 31 March 2017

	Restricted funds	Designated funds	General funds	Total funds
	£000's	£000's	£000's	£000's
Tangible fixed assets	-	8,101	-	8,101
Listed investments	-	-	933	933
Cash investments	2,063	452	-	2,515
Cash in hand and at bank	186	1,298	1,183	2,667
Other net current assets	-	-	326	326
<b>Net assets at end of year</b>	<b>2,249</b>	<b>9,851</b>	<b>2,442</b>	<b>14,542</b>

### 25. Analysis of group net assets between funds comparisons: as at 31 March 2016

	Restricted funds	Designated funds	General funds	Total funds
	£000's	£000's	£000's	£000's
Tangible fixed assets	-	7,966	-	7,966
Listed investments	-	-	1,396	1,396
Cash investments	2,026	500	118	2,644
Cash in hand and at bank	222	1,250	467	1,939
Other net current assets	-	-	282	282
<b>Net assets at end of year</b>	<b>2,248</b>	<b>9,716</b>	<b>2,263</b>	<b>14,227</b>

### 26. Operating lease commitments

The **group's** total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and property		Motor vehicles, printers and photocopiers	
	2017	2016	2017	2016
	£000's	£000's	£000's	£000's
Total minimum leases payments falling due:				
In the year following the balance sheet date	379	408	16	16
In years two to five	887	983	20	32
From year five until end of commitment	43	88	-	-
	<b>1,309</b>	<b>1,479</b>	<b>36</b>	<b>48</b>

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

### 26. Operating lease commitments (continued)

The charity's total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and property		Motor vehicles, printers and photocopiers	
	2017	2016	2017	2016
	£000's	£000's	£000's	£000's
Total minimum leases payments falling due:				
In the year following the balance sheet date	379	408	9	10
In years two to five	887	983	16	24
From year five until end of commitment	43	88	-	-
	<u>1,309</u>	<u>1,479</u>	<u>25</u>	<u>34</u>

The commitments relating to land and property result from rental of shop premises which are subject to non-cancellable operating leases held in the name of the charity. These are licensed by the charity to Havens Hospices Trading Ltd, which occupies the premises for the purpose of operating charity shops.

The minimum lease payments computed for the purpose of this Note have been calculated to the earliest of the lease expiry date or next tenant's break clause date. *FRS 102* requires that operating lease incentives such as rent free periods or contributions to fitting out costs should be spread over the full lease period.

The charity and its subsidiary company Havens Hospices Trading Ltd have taken advantage of the exemption granted by *FRS 102* for existing leases at the transition date (ie: the transition from previous Generally Accepted Accounting Principles - UK GAAP) of 1 April 2014, to continue to recognise lease incentives on the former basis. The requirements of *FRS 102* in respect of operating lease incentives are being followed for all such leases acquired after 31 March 2015.

### 27. Capital commitments

At the end of the year, the charity's trading company (HHT) had committed to £20,000 in respect of future fitting out costs relating to new charity shop premises in Dagenham (2016: £35,000 relating to Southend and Hadleigh shops). In both years, the committed expenditure was approved but not yet contracted for.

At the previous year end of 31 March 2016, a total of £100,000 of capital commitment had been both approved and contracted for by the charity's development company (HDCL), comprising fees payable to architects, quantity surveyors or other professional advisors in respect of the ongoing design work for the new adult hospice. No such commitments had been made by HDCL at 31 March 2017.

### 28. Contingent assets or liabilities

In accordance with Note 1(e) (*accounting policies - incoming resources*), and as set out in Note 2 (*income from donations and legacies*), the charity considered it had contingent assets totalling £40,000 at 31 March 2017 (2016: £76,000), relating to the value of legacy income pipeline which did not meet the criteria under *Charities SORP FRS 102* for accrual.

The trustees were not aware of any other contingent assets or of any contingent liabilities within the group (2016: £nil) at the balance sheet date.

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

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### 29. Purpose of restricted and designated funds

#### a) Purpose of restricted funds:

##### ***New Fair Havens (NFH) - capital appeal***

The capital appeal fund represents voluntary income received towards the costs of the project to build a new adult hospice to replace the existing Fair Havens building. Donations to this fund in previous years included a total of £3,553,000 from the Ivan Heath Trust, £1,796,000 of which was used during 2016 to purchase land on which to construct the new hospice, in accordance with the wishes of the donor.

Some gifts and grants to the capital appeal can be spent on any aspects of the design, development and construction of the new building, whilst others are restricted to more specific aspects of the project such as for a gymnasium and related equipment.

##### ***Fair Havens - other / Little Havens - other***

These represent funds restricted to use within the existing adult or children's hospice respectively. As the day to day operating costs of the hospices generally exceed the value of these restricted gifts, the balance at each year end normally represents just those funds which are restricted to specific purposes within the adult or children's hospice which have not been spent at 31 March.

##### ***Little Havens - Martha McGilda trust***

This gift from a trust was initially restricted to maritime-related activities, but this was subsequently widened, with the consent of the donor, to apply to all children's activities.

##### ***Little Havens - NHS England revenue grant***

This represents funding received annually from NHS England's transitional grant which replaced the former Section 64 grant for children's hospices, pending finalisation and implementation of a proposed new palliative care currency and associated tariff. The income is restricted and can not be used to finance fundraising activities. The grant is spent out each year on the specified purpose of providing hospice services to children in the Essex community, and the level of grant has been agreed in advance by NHS England to remain at the present value until 31 March 2019.

#### b) Purpose of designated funds:

##### ***Fixed assets reserve***

Designated funds consist primarily of the fixed assets reserve, which is updated at each year end to reflect movements in asset values by transferring the appropriate increases or reductions from general reserves or, where appropriate, from the appropriate restricted funds.

This fund includes £2,074,000 incurred to date as work in progress on the project to build a new adult hospice (2016: £1,810,000).

##### ***New adult hospice appeal reserve***

A specific reserve of £1,750,000 has been designated by the trustees to pump prime the future launch of the public phase of the *new Fair Havens* capital appeal.

The designated funds do not form part of the charity's free reserves.

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

### 30. Movement in funds: year ended 31 March 2017

	At the start of the year £000's	Incoming resources and gains £000's	Outgoing resources £000's	Transfers £000's	At the end of the year £000's
<b>Restricted funds:</b>					
<i>Fair Havens adult hospice</i>					
Capital appeal - <i>new Fair Havens</i>	2,026	383	(81)	(265)	<b>2,063</b>
Other	34	667	(630)	-	<b>71</b>
	<u>2,060</u>	<u>1,050</u>	<u>(711)</u>	<u>(265)</u>	<u><b>2,134</b></u>
<i>Little Havens children's hospice</i>					
Martha McGilda trust	41	-	(1)	-	<b>40</b>
NHS England revenue grant	-	363	(363)	-	<b>-</b>
Other	137	1,881	(1,953)	-	<b>65</b>
	<u>178</u>	<u>2,244</u>	<u>(2,317)</u>	<u>-</u>	<u><b>105</b></u>
<i>Restricted funds for either hospice</i>	10	1	(1)	-	<b>10</b>
<b>Total restricted funds</b>	<u><u>2,248</u></u>	<u><u>3,295</u></u>	<u><u>(3,029)</u></u>	<u><u>(265)</u></u>	<u><u><b>2,249</b></u></u>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Fixed assets reserve	7,966	-	-	135	<b>8,101</b>
New adult hospice appeal reserve	1,750	-	-	-	<b>1,750</b>
<b>Total designated funds</b>	<u><u>9,716</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>135</u></u>	<u><u><b>9,851</b></u></u>
General funds	2,263	6,941	(6,892)	130	<b>2,442</b>
<b>Total unrestricted funds</b>	<u><u>11,979</u></u>	<u><u>6,941</u></u>	<u><u>(6,892)</u></u>	<u><u>265</u></u>	<u><u><b>12,293</b></u></u>
<b>Total funds</b>	<u><u>14,227</u></u>	<u><u>10,236</u></u>	<u><u>(9,921)</u></u>	<u><u>-</u></u>	<u><u><b>14,542</b></u></u>

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

### 31. Movement in funds comparisons: year ended 31 March 2016

	At the start of the year £000's	Incoming resources and gains £000's	Outgoing resources £000's	Transfers £000's	At the end of the year £000's
<b>Restricted funds:</b>					
<i>Fair Havens adult hospice</i>					
Capital appeal - <i>new Fair Havens</i>	2,926	979	(83)	(1,796)	<b>2,026</b>
Other	12	633	(611)	-	<b>34</b>
	<u>2,938</u>	<u>1,612</u>	<u>(694)</u>	<u>(1,796)</u>	<u><b>2,060</b></u>
<i>Little Havens children's hospice</i>					
Martha McGilda trust	53	-	(12)	-	<b>41</b>
NHS England revenue grant	-	363	(363)	-	<b>-</b>
Other	87	1,527	(1,437)	(40)	<b>137</b>
	<u>140</u>	<u>1,890</u>	<u>(1,812)</u>	<u>(40)</u>	<u><b>178</b></u>
<i>Restricted funds for either hospice</i>	-	10	-	-	<b>10</b>
<b>Total restricted funds</b>	<u><u>3,078</u></u>	<u><u>3,512</u></u>	<u><u>(2,506)</u></u>	<u><u>(1,836)</u></u>	<u><u><b>2,248</b></u></u>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Fixed assets reserve	6,032	-	-	1,934	<b>7,966</b>
New adult hospice appeal reserve	1,000	-	-	750	<b>1,750</b>
<b>Total designated funds</b>	<u><u>7,032</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,684</u></u>	<u><u><b>9,716</b></u></u>
General funds	3,208	6,836	(6,933)	(848)	<b>2,263</b>
<b>Total unrestricted funds</b>	<u><u>10,240</u></u>	<u><u>6,836</u></u>	<u><u>(6,933)</u></u>	<u><u>1,836</u></u>	<u><u><b>11,979</b></u></u>
<b>Total funds</b>	<u><u>13,318</u></u>	<u><u>10,348</u></u>	<u><u>(9,439)</u></u>	<u><u>-</u></u>	<u><u><b>14,227</b></u></u>

# Havens Christian Hospice

## Notes to the financial statements

For the year ended 31 March 2017

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### 32. Post balance sheet event

Subsequent to the balance sheet date, on 1 April 2017 the charity became the whole owner and sole member of The J's Hospice ("the J's"), a company registered in England (registered company number 4825988) and registered with the Charity Commission (registered charity number 1099562). The J's registered office is at Alexandra House, 36A Church Street, Great Baddow, Chelmsford, CM2 7HY.

Havens' acquisition of the J's was at the invitation of the former trustees of that hospice, with the aim of securing the longer term viability of the J's service whilst also expanding Havens' range of services to include transition from children's to adult services. The acquisition was enacted via resolutions passed by the former members, and former trustees, of the J's charity and company.

The J's geographical stretch covers the whole of Essex but is aimed at an age range for direct service users of 16 to 40.

The charitable objects of the J's are closely related to Havens Hospices' objects, being:

(1) to provide medical, material, emotional, educational and spiritual care for, and accommodation for, those suffering from life limiting or life threatening conditions, chronic sickness or disability

(2) to relieve the needs of members and carers of the families who have experienced or are experiencing the sickness, disability or death of a person, in particular needs of counselling and accommodation

(3) to promote, carry out or take part in research into palliative care for any terminal or chronic sickness or disability and to publish the useful results of such research

(4) to improve through the provision of training the standard of nursing care for those with terminal or chronic sickness or disability

(5) to provide funds to hospices which care for such people or to establish new hospices.

### 33. Legal status of the charity

The charity is a company limited by guarantee and has no share capital.

The 48 members of the charitable company at 31 March 2017 (2016: 47) include the trustees, as named on page 2.

The liability of each member in the event of winding up is limited to £1.