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# Annual Report and Accounts

## 2019/20

For the year ended 31.03.20  
Company number 1360961



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DOROTHY HOUSE  
(formerly THE DOROTHY HOUSE FOUNDATION LIMITED)

Company number: 1360961

Charity registration: number 275745

Principal address: Winsley, Bradford on Avon, Wiltshire BA15 2LE

The Trustees (who are directors of the Charity for the purposes of the Companies Act) present their report together with the financial statements of the Charity for the year ended 31 March 2020.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and SORP 2015.

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# Trustees' and Strategic Report

## Introduction

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Currently, the UK is in lock-down as a result of the global COVID-19 pandemic. Whilst this situation may only theoretically have affected just over a fortnight of the FY19/20 financial reporting period, the continued lock-down, its unknown duration and impact and the social distancing which will undoubtedly continue, will have significant ramifications for Dorothy House's future activity and planning.

Prior to lock down on Monday 23 March 2020, our "story" was one of working to our Strategic Plan (2018-25) – Everyday, Everyone, now in its third year. Our yearly objectives for FY19/20 were linked to our 5 strategic goals and we have made progress, developing our eco system model for working in partnership with the community and growing our open access day services, open to all people affected by a life-limiting illness with no referral required. We have also invested in creating our research capability and alliances with local universities and are redefining our education offer.

Over the year, we have addressed the financial challenge of maintaining our "outstanding" level of care whilst ensuring our financial sustainability for the future. Our NHS Commissioners have provided an increase in funding, we have made efficiency savings across the organisation and developed new sources of income.

At Dorothy House, we have seen change and new leadership over the last year and throughout we have remained committed to the principles of our Strategic Plan and responding to need in our community.

With the onset of COVID-19, we modified our services swiftly so we could continue to support our patients, their families and carers. We have also supported the NHS directly with the pandemic by opening Ward 2 at Winsley to support both 'step down' patients from acute hospitals and community patients with care needs where a hospital admission could be avoided.

At the end of the financial year, we moved quickly to shore up our finances in the face of the COVID-19 pandemic and a significant decline in our fundraising and retail income. With huge thanks to our community's continued generosity, local NHS commissioners and emergency funding from the Government, including a grant for loss of income via Hospice UK, we have worked hard to stabilise our financial position in the short-term.

As we look beyond the immediate challenges we face, we are developing our plans to "revive and thrive" for the future, albeit mindful of the uncertainty over the longer term impact of COVID-19.

What is certain is that with an ageing population with increasingly complex conditions, the need for palliative care continues to grow as recognised in our Strategic Plan. Added to this, we need to anticipate the knock-on impact from COVID-19 in terms of delays in diagnoses and palliative referrals, increased need for bereavement support and the likelihood of a severe economic downturn and its effect on people's health and wellbeing.

COVID-19 has changed many of the ways we interact in society. At Dorothy House we have adapted some services to be delivered remotely whilst recognising that face-to-face care and human touch also remains essential.

We are committed to ensure our long-term sustainability as we face the challenge of meeting the care needs of ever more patients with a life-limiting illness, their families and carers.

## Objectives and Activities

*“The objects for which the Charity is established are, for the public benefit, to promote by such charitable means as the Trustees shall from time to time think fit the relief of sickness among people suffering from any chronic or life limiting illnesses of any description through the provision of treatment, holistic care, financial assistance, support, education and practical advice for such individuals, their families, dependants and carers and to advance the education of the general public in all areas relating to such conditions.”*

### **Dorothy House, Objects, Articles of Association – Revised 2018, approved by Charity Commission and adopted by Trustees’ Resolution 26 March 2019**

Below is a list of the services we provide at Winsley, our Outreach Centres or out in the community. All these services help us to achieve our overall purpose and objectives and provide the best care we can for patients, their families and carers. In FY19/20 we cared for 3,126 people (patients, their families and carers) referred to one or more of our services below.

(Full details of these services can be found in our annual Quality Account, prepared for our NHS partners.)

**Medical Service:** Our doctors deliver care and professional advice at Dorothy House’s Inpatient Unit, out in the community and also at the Royal United Hospital (RUH) Bath.

**24/7 Advice Line:** Clinical advice and support for patients, their families/carers and professional colleagues about any palliative and/or end of life care issue.

**Inpatient Unit:** 10-bed specialist unit at Winsley

**Day Patient Services:** Nurse-led unit/services and a growing range of informal wellbeing, relaxation, exercise and social groups across our area.

**Clinical Nurse Specialists (CNSs):** Operating with and in the community including the new Primary Care Network (PCN).

**Hospice at Home (H@H):** End of life trained carers providing respite, crisis and end of life care within homes or residential care settings.

**Family Support Services** providing access to:

- Adult social work
- Children and Young People’s services
- Bereavement services
- Psychological support (pre-bereavement)
- Chaplaincy/spiritual care
- Companions service.

Therapies including:

- Physiotherapy
- Occupational Therapy
- Lymphoedema Service
- Complementary Therapy
- Creative Arts
- Nutrition

**Education, Research & Professional Development:**

A key pillar of DH’s services, we offer:

- Professional development and palliative care updates for DH clinical staff
- Education programmes for health and social care colleagues in the community
- A move from being a “research aware” organisation to one that “generates and leads” research in palliative and end of life care (Payne, Preston et al 2013)
- A facility to host education programmes and visits

### **Volunteering**

Our volunteering workforce continues to make a vital contribution to the care and support we provide to our local community and our wider social value. As at the end of FY19/20, our volunteer figures numbered 371 in Hospice and Outreach and 652 in retail, making a current total of 1,023 volunteers.

We have gained re-accreditation as an Investor in Volunteers in 2020 and our Volunteering Service has seen innovations such as the 2019 launch of the new Compassionate Companions Volunteer Service at the Royal United Hospital Bath (RUH).

## Achievements and Performance

Below are key achievements resulting from our annual objectives and linked to our strategic goals. Annual objectives were approved by the Trustees in March 2019 and set out in the Annual Report FY18/19.

**1) *Death is a part of life: Deliver year two of the 2018-25 Strategic Plan through proactive engagement across the community that influences the NHS Long Term Plan (LTP) with the effect of coherent end of life coordination across the strategic landscape (SW Region, Sustainability Transformation Partnerships and emerging bodies).***

Over the last year, Dorothy House has managed the development of the East Mendip Eco System Alliance, the first of 3 DH-led collaborations with community partners - including community groups, voluntary organisations, statutory services and commercial partners - to understand palliative and end of life care need in specific areas and co-design services and solutions accordingly.

The Alliance partners are working together on shared outcomes including reducing inappropriate hospital admissions, improving health and social care sector training, better transport options for people to attend services in their local community, equitable care for non-cancer patients, and wider provision of bereavement support groups.

Presented by Dorothy House's CEO at Hospice UK's annual conference in November 2019, this model of strategic collaboration is the driver for DH service development within the community.

In line with the NHS Long Term Plan, Dorothy House has started (from January 2020) to introduce a Dorothy House Nurse Clinic within each Primary Care Networks (PCN) across our community. Based at a GP surgery in each PCN, these clinics will help to provide care and support earlier to people with a life-limiting illness, their families and carers, facilitating easier access to care, closer to home and in a familiar location. They will also help develop closer relationships between DH and primary / community care colleagues, relieve pressure on GPs and help avoid hospital admissions where possible.

Community care is at the heart of Dorothy House's service delivery and our Community Outreach Team, supporting the work of our Nurse Specialists, has increased its community visits by 24% on previous year.

**2) *Living Well: Lead a charity that is CQC "outstanding" across all five key requirements and to operate effectively, delivering a minimum of 3% savings by Q4 on track by Q2.***

It is important for Dorothy House to balance its "outstanding" reputation against the need to ensure its sustainability, not least given future financial uncertainty associated with COVID-19. Across all DH departments, 3% efficiency savings on monthly spend against budget were delivered by close of the financial year. This has been achieved through, for example, the use of software solutions such as Establishment Genie to make clinical working practices safer and more efficient.

Last year we commissioned a review of our day services from community interest company Evolving Communities. Published in February 2020, the review sets out a number of recommendations concerning both our referral-based and open access day services which will help us develop these services for the future in the most efficient way possible.

Our open access groups continue to grow in locations across our community with 317 additional people to our 3,126 referred patients, their families and carers benefitting from our support in FY19/20. These services are open to anyone affected by a life-limiting illness.

With growing demand from patients for use of our small gym at Winsley, we completed building work in August 2019 to double the size of this facility. New equipment was purchased, feedback has been extremely positive and numbers using the gym have continued to increase. During the current COVID-19 pandemic and lockdown, the gym has been repurposed into a second inpatient ward at Dorothy House, specifically for those discharged from hospital or requiring additional short term support to avoid a hospital admission.

**3) *Peaceful Death: Influence and shape the community across our 700 sq miles, creating an environment through a partnership landscape, where "Preferred Place of Death" is a credible choice, delivered through a sustainable community programme.***

Our Hospice at Home service continues to provide much needed respite, crisis and end of life care across our community and enable people to be cared for and die at home. A referral can involve multiple visits / episodes of care, each one resulting in at least one hospital admission avoidance. FY19/20 has seen 699 referrals to our Hospice at Home service.

Our NHS Commissioners recognise that our Hospice at Home service can have a significant impact in enabling peaceful death at home. In FY19/20, Wiltshire CCG commissioned a separate and fully funded Continuing Healthcare (CHC) fast track (funding for a patient rapidly declining towards death) service from DH which was due to start 1 April 2020 but has been delayed due to COVID-19 and temporary funding re-allocation.

The impact of services such as Hospice at Home is vital to increasing the number of people dying in their Preferred Place of Death (PPD) which is one of Dorothy House's Key Organisational Outcomes (KOOs). In FY19/20, 56% of DH patients with a recorded preference achieved their PPD.

**4) Supported Bereavement: Develop educational, support, DH centres and communication tools, which inform in an equitable manner, on issues, capability, entitlement and access pre and post death for all patients, families and carers.**

FY19/20 has seen an 8% increase in the number of family members / carers supported by our Family Support Team with services including bereavement, psychological and spiritual care and adult social work. The Hospice has also continued to develop its range of more informal open access services, many of which provide bereavement and psychological support.

2019 has seen the successful roll out of the Friends in Grief model, a free, community based drop-in where all people – known or unknown to Dorothy House - who have been bereaved in any way are welcome to come and talk with others experiencing similar thoughts and feelings. Facilitated by a team of local volunteers, trained and supported by the Bereavement Team at Dorothy House, sessions take place weekly at Malmesbury, Corsham and Shepton Mallet and are growing in popularity, helping 52 people in the wider community this year.

Other open access services such as Tea@3, Coffee Club, Parents Group, Sewing Bee and the Allotment Group provide ongoing bereavement and psychological support for many patients, their families and carers. They continue to grow in popularity with Dorothy House's weekly Coffee Clubs seeing 2,877 attendances over the year.

**5) Increase in Income: Deliver an effective 2019/20 financial plan that is sustainable and builds on 18/19.**

Over the year, we have developed a greater understanding of our patient level costings for each service. This has enabled us to demonstrate clear impact in our service provision and negotiate increased funding from NHS commissioners. Income from our NHS contracts and grants rose by 10% on previous FY plus an additional one-off 3% contribution from central Government this year funded 31% of our overall clinical costs.

Our Retail operation continues to deliver year on year growth in contribution and up to the point of impact from COVID-19 it was on track to deliver 10.5% growth.

In the context of a continued decline in UK charitable giving, Fundraising achieved modest overall growth with, for example, increased individual giving but a reduction in event income. We continue to explore new ways of engaging with our community and enabling convenient, online ways to support us.

### **Measuring and assessing our impact**

In order to chart DH's progress over the life of the 7 year Strategic Plan, we are using a set of Key Organisational Outcomes (KOOs) linked to the 5 strategic goals against which we measure our performance on an ongoing basis.

DH continually monitors the effectiveness of its services so that we can keep improving the care we provide to patients, their families and carers. We do this through clinical audit, patient/carer feedback and evaluation and specific service reviews.

## Financial Review

As we write this report, Dorothy House is entering an uncharted financial landscape through the impact of the global COVID-19 pandemic which started to take effect early March 2020. Through the need for social distancing, our two main income streams from Retail and Fundraising Events may not look the same again and we must seek alternative sources of income to fund the increasingly needed care and support we provide.

Our financial objective for the year was to grow income from sustainable sources whilst seeking operational efficiencies through partnerships and different ways of working so we can deliver more care to our community. Through our risk based Reserves Policy we planned to utilise £0.4m of available reserves in the year. Our actual Deficit before losses on investments was £0.7m and loss on investments of £0.3m (2019: £0.4m gain) resulted in Net deficit of £1.0m (2019: £1.6m). At year end we held £4.0m of unrestricted and undesignated funds (free reserves).

Income increased by £1,128k (2019: £914k decrease) with NHS local commissioning annual contracts increasing £174k (2019: £24k) in recognition of our impact, and central Government funding of £717k (2019: nil). Donations and legacies increased £431k (2019: £1,483k decrease). Retail and events impacted by the COVID-19 shutdown experienced a £134k decline (2019: £288K increase).

Overall, Dorothy House cared for more people than previous year. Expenditure on charitable activities decreased by 2.7% which is £244k (2019: £983K increase), and expenditure on raising funds decreased

by £25k (2019: £359k increase).

The financial position of the Charity is set out in the attached financial statements.

### Investment Policy

The Charity has the power to make any investments which the Trustees see fit. In applying this, the Trustees have formulated and approved an Investment Policy. Day to day management of the investments is delegated to external advisor (Rathbones), who invest a proportion of the Charity's funds in equity, fixed interest and other funds within guidelines set by the Trustees. The external advisors are prohibited from investing funds directly in tobacco companies, are guided on the amounts that can be invested in one institution and in the proportion of cash that can be held in relation to other investments.

Rathbones continues to deliver growth on our investments in the long-term and exceeds benchmark expectations. We have seen significant volatility in returns in Q4 and face uncertainty through these unprecedented times. We remain confident in Rathbones' ability to deliver returns in excess of market based benchmarks in the long term.

### Key Risks and Uncertainties

Following best practice guidelines, including those of the Charity Commission, DH constantly reviews all risks through its Assessment and Risk Management Register

(ARMR) database. It is key that risk is owned and understood at all levels within the Charity.

Key risks identified within FY19/20 were as follows:

**Pandemics:** Although pandemics have always been on our risk register, COVID-19 has had a far greater impact than anyone could have envisaged, impacting every aspect of what we do. We immediately responded to this by creating a COVID-19 Committee – a reduced group of six Board members including the 3 honorary officers, Board Subcommittee Chairs and an engagement specialist. The terms of reference were approved by the Board on 9th April 2020. This group now meets fortnightly and is empowered to make swift decisions whilst retaining appropriate governance.

**Income:** This includes fluctuations in fundraising (including legacy) and retail income. It also includes the risks we face from a changing commissioning landscape through a move from local Clinical Commissioning Groups (CCGs) to larger Sustainability Transformation Partnerships (STPs) and Integrated Care Systems. Whilst challenging, this situation presents us with an opportunity to lead the development of palliative and end of life care for a larger population in partnership with other local hospices.

**Investment Returns:** Every year, the returns from investments are a large contributor to the Charity's overall performance and as such are always a significant risk factor. Investment performance is regularly reviewed and an active relationship maintained with the external advisors to mitigate investment risk.

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**Corporate Governance, Information Governance**

**and Cyber Security:** Review and improvement in these areas have been key objectives for the year and have refreshed our focus on ensuring outstanding governance for Dorothy House.

**Information on Fundraising Agreements with Third Parties** (As required by the Charities Act 2016)

Dorothy House has continued to work with Local Hospice Lottery, a hospice lottery provider (a wholly owned subsidiary of Farleigh Hospice). Activities from both initiatives were monitored by Dorothy House through regular meetings.

Five complaints were received about Dorothy House fundraising activity through the Local Hospice Lottery for FY19/20. All complaints were low-level and have been resolved satisfactorily. The Local Hospice Lottery adheres to the Institute of Fundraising guidelines for dealing with vulnerable people.

**Reserves Policy**

In FY18/19 we moved to a risk-based reserves methodology. Each year the Trustees review the policy for maintaining free reserves, taking into consideration the major risks faced by the Charity to both income and planned expenditure and an assessment of ways to mitigate these. The resulting minimum free reserves to

be held in the form of cash and investments were set at £4.4m for FY 19/20 and reducing to £3.7m for FY 20/21. This reflects a reduced reliance on volatile future legacy income.

Total funds held at 31 March 2020 amounted to £13.2m (2019: £14.3m), of which £7.7m (£7.9m) designated to funding fixed assets, £2.4m (2019: £2.2m) for specific development purposes and £3.1m (2019: £4.1m) are free held in cash, investments and working capital. This free amount is expected to recover in line with previously mentioned investment gains.

Although reserves bounced back above the minimum requirements after the year end, as global investment markets improved, the Trustees recognise the importance of maintaining them above the safe minimum. Several fundraising opportunities are being explored, but if these are not successful the Charity will need to consider curtailing front line services.

## Plans for the Future

Organisational objectives for FY20/21 (below) have been grouped in themes which are in turn linked to our strategic goals. In response to COVID-19, a further objective was added as, understandably, operating within a pandemic will be the backdrop to all our work for the foreseeable future.

1. Ensure that Dorothy House has a clearly managed response to meet the current and future needs of our community during the COVID-19 pandemic.
2. **People:** Ensure that Dorothy House has a well-led, enabled and empowered workforce (of staff and volunteers) with the skills and competence to meet the current and future needs of our community.
3. **Governance:** Ensure all aspects of Dorothy House practices exceed statutory requirements.
4. **Our community:** Ensure that Dorothy House understands and can meet the palliative and end of life care needs of our community as articulated in the 2018-25 Strategic Plan.
5. **Financial sustainability:** Ensure delivery of year three of the 2018-25 Strategic Plan by developing and implementing an effective 2020/21 financial plan that is achievable and sustainable.
6. **Partnership:** Identify “strategic alliances” and partnerships that ensure delivery of Key Organisational Outcomes.
7. **Research and education:** Create education and research links that enhance our own and other organisations’ ability to deliver and evidence outstanding palliative and end of life care.

## Structure, Governance and Management

### Governing Documents and Structure

The Charity was created in 1976 by a Trust Deed and incorporated in 1978 as a company limited by guarantee, not having share capital.

In the event of the company being wound up, each member is required to pay a maximum of £1. In order to sell bought in goods as part of the retail operations or other profit making ventures, the Charity has a wholly owned trading subsidiary, Dorothy House Trading Ltd (Reg. Company no: 2259911). The Charity’s Trustees appoint the Directors of the subsidiary company and all of its profits are remitted to its parent.

A schedule of delegated powers allows the Trustees to devolve certain activities and decisions to the specialist committees on which they sit, the Chief Executive and the Executive Team.

Whilst main board and most committees meet quarterly, the Executive Team meets monthly.

### Public Benefit

The Charities Act 2011 explicitly includes public benefit in the definition of a charitable purpose, which every charity must have. The Act sets out 13 different charitable purposes, of which DH meets 3:

1. The advancement of health
2. The relief of those in need by ill health or disability; and
3. The advancement of education

In reviewing our aims and objectives, we have referred to the Charity Commission Guidance on Public Benefit. In particular, all of the services provided to patients and their families are free of charge and education programmes are provided for health and social care professionals in order to promote excellence in end of life care.

### Trustees: Recruitment and Appointment

The members of the Charity are automatically members of the Board and Trustees, and there must be at least 5 and not more than 13 Trustees at any time. The term of office is three years, and a member can serve up to three consecutive terms. The names of the Trustees in this year are set out on page 18.

The Trustees recruit new members by open advertisement and interview. The Chair and Vice Chair undertake Trustee annual evaluations including a skills matrix. Each vacancy is reviewed to ensure the Board has a wide representation of skills and experience reflecting the needs of the organisation.

### Trustees: Induction and Training

There is a core induction programme for new Trustees, accompanied by a handbook which incorporates statutory, regulatory, financial and specialist sector information and clearly sets out the Trustee’s responsibilities.

### Senior Management Team Remuneration Policy

The Trustees consider that the Executive Team are the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note six to the accounts.

Staff pay is reviewed annually and normally increased in accordance with the NHS's Agenda for Change, in line with the rest of the organisation. Any reviews of Executive Team pay have to be discussed and approved by the Remuneration Committee.

### Trustees' Responsibilities for the Financial Statements

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the year end. In preparing these financial statements the Trustees should follow best practice and:

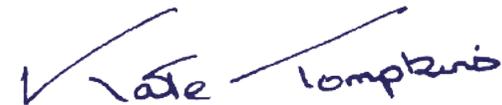
- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;

- c. state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Charity and ensuring that the financial statements comply with applicable laws. They are also responsible for safeguarding the assets of the Charity and 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 Foundation'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.

This report, incorporating the Strategic Report, was approved by the Trustees, in their capacity as company directors and signed on their behalf by:



Kate Tompkins  
Chair of Trustees

Date: 30/06/2020

## Reference and Administrative Details

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Registered Name: Dorothy House  
 Working name: Dorothy House (“DH”)  
 Registered Company Number: 1360961  
 Registered Charity Number: 275745  
 Registered and Principal Address:  
 Winsley, Bradford on Avon, BA15 2LE, UK

### Trustees in the period

B, D, E (Chair), F (Chair)	Kate Tompkins	Chair
A (Chair), C, G	Christine Davis	
B (Chair), E, F	Diane Hall	
B, E, F, G	Ian Lafferty	Vice Chair of Trustees
B, D	Brian Mansfield	
A, C	Simon Burrell	
D (Chair), E	Warren Reid	
C, F	David Cavaliero	
B	Charlotte Parkin	
A, B	Mark Hunt	
A	Francesca Thompson	
D, F	Josette Crane	
A, C (Chair)	James Gare	Treasurer

**Committees**

A	Member of Patient and Family Services Committee
B	Member of Finance and Performance Committee
C	Member of Audit Committee
D	Member of People and Development Committee
E	Member of Remuneration Committee
F	Member of Governance Committee
G	Director of Dorothy House Trading Ltd

**Executive Team as at 31st March 2020**

Wayne de Leeuw	Chief Executive (appointed 17.12.19) Interim Chief Executive (until 17.12.19) Director Patient Family Services & Deputy CEO (until 31.07.19)
G Tony De Jaeger	Deputy CEO and Director of Finance
Dr Emma Frampton	Interim Medical Director (appointed 30.4.19)
Ruth Gretton	Director of Nursing
James Byron	Director of Marketing and Engagement (appointed 2.1.20)
Tony Rees	Interim Director of People and Services
John Davies	Chief Executive (resigned 31.07.19)
Dr Patricia Needham	Medical Director (resigned 30.4.19)
Principal Bankers	NatWest plc, Bath
Auditor	Bishop Fleming LLP, Bristol
Investment Advisers	Rathbones, London
Solicitors	Thrings, Swindon Bath Royds Withy King, Bath Stone King, Bath
Adviser to Finance & Performance Committee	Simon Coombe
Director of Dorothy House Trading Ltd	Jonathan Newbound (appointed 16.07.19)

# Independent Auditor's Report to the Members

## Opinion

We have audited the financial statements of Dorothy House (the ‘parent charity’) and its subsidiaries (the ‘group’) for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are

further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

## Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors’ report thereon. Our opinion on the financial statements does not cover the other information

and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees’ Report (incorporating the Strategic Report) for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Trustees’ Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

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

### **Responsibilities of trustees**

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

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

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed auditor under the Companies act 2006 and report in accordance with this Act.

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

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

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Scaife FCA DChA (Senior statutory auditor)  
for and on behalf of  
Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

Date:

15/7/20

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# Financial Statements

## Consolidated Statement of Financial Activities including Income & Expenditure Account For the Year Ended 31 March 2019

	Note	Unassigned £	Unrestricted Funds Designated £	Restricted Funds £	Group 2020 £	Group 2019 £
<b>Income and endowments from:</b>						
Donations, Grants and Legacies	3B	4,260,309	-	181,003	<b>4,441,312</b>	3,293,176
Charitable activities	3/12	2,961,896	-	-	<b>2,961,896</b>	2,786,716
Other trading activities	3A	6,116,545	-	-	<b>6,116,545</b>	6,254,218
Investments		146,288	-	-	<b>146,288</b>	203,953
<b>Total income and endowments</b>		<b>13,485,038</b>	<b>-</b>	<b>181,003</b>	<b>13,666,041</b>	<b>12,538,063</b>
<b>Expenditure on:</b>						
Raising funds	4	(5,400,773)	-	-	<b>(5,400,773)</b>	(5,425,999)
Charitable activities	4/12	(8,710,309)	-	(217,347)	<b>(8,927,655)</b>	(9,171,443)
<b>Total expenditure</b>		<b>(14,111,082)</b>	<b>-</b>	<b>(217,347)</b>	<b>(14,328,429)</b>	<b>(14,597,442)</b>
Net gains/(losses) on investments	9	(337,574)	-	-	<b>337,574</b>	426,732
<b>Net income/(expenditure)</b>	<b>4</b>	<b>(963,618)</b>	<b>-</b>	<b>(36,344)</b>	<b>(999,962)</b>	<b>1,632,647</b>
<b>Transfers between funds</b>		(119,513)	3,527,728	(3,408,216)	-	-
<b>Other recognised gains/ (losses)</b>		-	-	-	-	-
<b>Net movement in funds</b>		<b>(1,083,130)</b>	<b>3,527,728</b>	<b>(3,444,559)</b>	<b>(999,963)</b>	<b>(1,632,647)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		4,146,935	6,631,000	3,444,559	14,222,496	15,855,143
<b>Total funds carried forward</b>		<b>3,063,804</b>	<b>10,158,728</b>	<b>-</b>	<b>13,222,533</b>	<b>14,222,496</b>

The above results relate wholly to continuing activities; there were no other recognised gains or losses in the year.  
The accompanying accounting policies and notes form an integral part of these financial statements.

## Consolidated and Charity Balance Sheet at 31 March 2020

	Note	At 31 March 2020		At 31 March 2019	
		Group £	Charity £	Group £	Charity £
<b>Fixed assets</b>					
Tangible fixed assets	8	7,706,745	7,690,902	7,853,770	7,831,969
Investments - subsidiary	2	-	2	-	2
Investments - portfolio	9	3,593,361	3,593,361	5,819,108	5,819,108
		<b>11,300,106</b>	<b>11,284,265</b>	13,672,878	14,431,896
<b>Current assets</b>					
Stock	2	50,916	-	32,431	-
Debtors	10	2,620,659	2,653,478	1,391,061	1,402,769
Cash at bank and in hand		589,351	574,175	681,546	668,259
		<b>3,260,926</b>	<b>3,227,653</b>	2,105,038	2,071,028
<b>Liabilities</b>					
<b>Creditors: falling due within one year</b>	11	<b>(1,330,018)</b>	<b>(1,295,693)</b>	(1,513,012)	(1,471,992)
<b>Net current assets</b>		<b>1,930,909</b>	<b>1,931,960</b>	592,026	599,037
<b>Total assets less current liabilities</b>		<b>13,231,015</b>	<b>13,216,226</b>	14,264,904	14,250,116
<b>Creditors: due in more than one year</b>	11	<b>(8,482)</b>	<b>(8,482)</b>	(42,410)	(42,410)
<b>Net assets</b>		<b>13,222,533</b>	<b>13,207,744</b>	14,222,494	14,207,705
<b>Income funds</b>					
Restricted	12	-	-	3,444,559	3,444,559
Unrestricted:					
Designated - funding fixed assets	13,14	7,706,745	7,706,745	4,409,211	4,409,211
Designated - Service Develop't	13,14	2,437,194	2,437,194	2,207,000	2,207,000
Designated - trading funds	2	14,789	-	14,789	-
<b>Total designated funds</b>		<b>10,158,728</b>	<b>10,143,939</b>	6,631,000	6,616,211
<b>General funds</b>	13,14	<b>3,063,805</b>	<b>3,063,805</b>	<b>4,146,935</b>	<b>4,146,935</b>
<b>Total unrestricted funds</b>		<b>13,222,533</b>	<b>13,207,743</b>	10,777,935	10,763,146
<b>Total funds</b>		<b>13,222,533</b>	<b>13,207,743</b>	14,222,494	14,207,705

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

Kate Tompkins  
Chairman



James Gare  
Treasurer



Date: 30/6/20

Date: 30/6/20

The accompanying accounting policies and notes form an integral part of these financial statements.

## Consolidated Cash Flow Statement for the Year Ended 31 March 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
<b>Net cash used in operating activities</b>	Note A	<b>(1,793,486)</b>	(722,151)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments	9	146,312	203,962
Purchase of property, plant and equipment	8	(333,194)	(1,107,170)
Proceeds from the disposal of fixed assets	8	-	-
Cash from/(to) investment portfolio	9	2,000,000	(2,000,000)
Net additions to the investment portfolio		(111,829)	(162,179)
<b>Net cash provided by investing activities</b>		<b>1,701,289</b>	934,613
<b>Change in cash in the reporting period</b>		<b>(92,197)</b>	212,462
<b>Cash at the beginning of the reporting period</b>		<b>681,548</b>	469,086
<b>Cash at the end of the reporting period</b>	Note B	<b>589,351</b>	681,548

### Note A) Reconciliation of cash flows from operating activities

<b>Net income/(expenditure) for the reporting period</b> (as per the statement of financial activities)		<b>(999,962)</b>	(1,632,647)
Adjustments for:			
Net losses/(gains) on investments		337,574	(426,732)
Depreciation charges		480,220	455,097
Dividends, interest and rents from investments		(146,312)	(203,962)
(Profit)/loss on the sale of fixed assets		-	-
(Increase)/decrease in stocks		(18,485)	(24,258)
(Increase)/decrease in debtors		(1,229,598)	593,771
Increase/(decrease) in creditors		(216,923)	516,581
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(1,793,486)</b>	722,151

### Note B) Analysis of net cash resources

	At 31 March 2019 £	Net cash inflow £	At 31 March 2020 £
Bank and petty cash balances	681,548	(92,197)	<b>589,351</b>

## Notes to the Financial Statements For the Year Ended 31 March 2020

Dorothy House is a company limited by guarantee and a charity registered at the Charity Commission in England and Wales. The Principal address is Winsley, Bradford on Avon, BA12 2LE.

### 1. Accounting Policies

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

**Basis of Preparation** – The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The charity's functional and presentational currency is the pound sterling.

**Basis of consolidation** – The group financial statements consolidate the results of the charity and its wholly-owned subsidiary Dorothy House Trading Ltd. on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

#### Incoming resources

- \* All monetary donations and gifts are included in full in the Statement of Financial Activities when receivable;
- \* Contract and grant income is included when receivable, provided conditions for receipt have been complied with, unless they relate to a specific future period in which case they are deferred;
- \* Legacies are included when the charity is advised that payment will be made or property transferred, and the amount involved can be quantified;
- \* When donors specify that donations and grants, including grants for the purchase of fixed assets, are for particular restricted purposes, the income is included in incoming resources of restricted funds when receivable;
- \* Intangible income, which comprises donations in kind, are included at the Trustees' valuation when known;
- \* No amounts are included in the financial statements for services donated by volunteers.
- \* Charity shop sales include donations arising from the charity's Gift Aid scheme for donated goods.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Apart from those judgments involving significant estimates as detailed in the accounting policies, there are no judgments to note that have had a significant effect on amounts recognised in the financial statements

**Resources expended** – Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure which can be directly attributed to specific activities has been included in appropriate cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion attributable to each activity.

**Operating leases** – Rentals in respect of assets held under operating leases are charged against revenue on a straight line basis over the term of the lease. Financial commitments arising from such leases are disclosed in note 15.

**Pensions** – The charity operates a contributory group personal pension scheme for the benefit of the staff. The scheme's funds are administered by independent Trustees and are independent of the charity's finances. Benefits under the scheme are dependent on contributions paid and the charity is not committed to the provision of a pension related to final salary. The charity also makes contributions for eligible employees to the National Health Service Pension Scheme which is a multi-employer defined benefit pension scheme where pensions payable are based on final pensionable salary. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reasonable basis, the scheme is treated by the charity as if it were a defined contribution scheme, as permitted by FRS 102. For all active schemes, the charity's contributions are charged against income in the year in which they are made.

**Financial instruments** – Financial instruments are recognised in the Charity’s balance sheet when it becomes a party to the contractual provisions of the financial instrument.

**Trade debtors** – Trade debtors are non interest bearing and are stated at original invoiced amount less an appropriate allowance for irrecoverable amounts. Such allowances are based on known customer exposures.

**Cash** – Cash comprises cash at bank and in hand.

**Trade creditors** – Trade creditors are non interest bearing and are stated at the original invoiced amount.

**Income from financial instruments** – Interest is accrued and credited to the profit and loss account in the period to which it relates.

**Dividend income from investments** – Dividend Income is recognised when the shareholders’ rights to receive payment have been established.

#### **Tangible Fixed Assets – Freehold properties**

Freehold property is included at original cost plus subsequent costs of additions.

No depreciation is provided on freehold properties. It is the charity’s practice to maintain these assets in a continual state of sound repair and accordingly the Trustees consider that the lives of these assets are so long and residual values so high, based on prices prevailing at the time of acquisition, that any charge for depreciation is immaterial. In the absence of any depreciation charge an annual impairment review is undertaken and any permanent diminution in the value of such properties is charged to the Statement of Financial Activities as appropriate.

#### **Tangible Fixed Assets – other assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives to the charity. The annual depreciation rates and methods are as follows:

Leasehold properties	Evenly over the term of the lease
Fixtures, equipment and ICT	10 - 33 1/3% straight line, as appropriate
Motor vehicles	25% straight line

**Investments** – The investments held by the charity are stated at their open market value at the Balance Sheet date. Gains and losses on disposal and revaluation of investments are credited or charged to the Statement of Financial Activities. Deposit accounts previously accounted for as Fixed Asset Investments are now shown with Cash, as they are not used for investment purposes.

**Stock** – Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. FRS 102 recommends that goods donated for resale are valued. However, estimating the fair value of donated goods for resale is impractical for the charity because of the high volume of low value items received and the absence of a detailed stock control system. The trustees have therefore determined that no meaningful valuation can practicably take place.

#### **Fund Accounting**

Funds held by the charity are either:

- Restricted funds – these can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by donors or by the purpose of the appeal.
- Unrestricted general funds – these can be used in accordance with the charitable objects at the discretion of the Trustees.
- Designated funds are unrestricted funds which have been Designated for specific purposes by the Trustees.

## 2. Commercial Trading Activities and Investment In Trading Subsidiary

The charity has a wholly-owned subsidiary, Dorothy House Trading Limited incorporated in England and Wales, which sells mainly food and beverages through its coffee shop outlet and calendars and greetings cards. The company covenants its profit to the charity. A summary of the trading results and details of its assets and liabilities is shown below:

	Note	2020 £	2019 £
<b>Summary Profit and Loss Account</b>			
Turnover		238,381	229,721
Cost of sales and administrative costs	4	(103,352)	(106,636)
Management charge from Dorothy House Foundation	4	(112,817)	(63,456)
Net income		22,212	59,629
Amount gifted to the charity under deed of covenant		(22,212)	(59,629)
Profit retained in the subsidiary		-	-
<b>Summary Balance sheet</b>			
	Note	2020 £	2019 £
Fixed Assets		15,843	21,801
Stock		50,916	32,431
Other debtors		3,208	13,128
Bank balances		15,176	13,287
Creditors-due to Dorothy House	10	(36,026)	(24,837)
Other creditors		(34,325)	(41,019)
Total net assets		<b>14,791</b>	14,791
Share Capital		2	2
Profit and Loss Account		14,789	14,789
		<b>14,791</b>	<b>14,791</b>

**3. Analysis of Income from Charitable Activities**

	Unrestricted Funds £	Restricted Funds £	Group 2020 £	Group 2019 £
Contracts and operating income:				
NHS contracts and grants	2,721,564	-	<b>2,721,564</b>	2,547,136
Catering and other similar income	72,939	-	<b>72,939</b>	87,699
Education and training income	167,393	-	<b>167,393</b>	151,881
	<b>2,961,896</b>	-	<b>2,961,896</b>	2,786,716

**3A. Other Trading Activities**

	Group 2020	Group 2019
Shops' Income	<b>4,983,566</b>	5,044,848
Fundraising events	<b>602,044</b>	674,888
Lottery	<b>530,935</b>	534,482
	<b>6,116,545</b>	6,254,218

**3B. Donations, Grants and Legacies**

	Group 2020	Group 2019
Donations	<b>1,656,809</b>	1,550,354
Legacies	<b>2,067,081</b>	1,742,822
Government grants	<b>714,422</b>	
	<b>4,441,312</b>	3,293,176

**4. Analysis of Resources Expended**

	Staff costs	Other costs (including depreciation)	Support costs	Total 2020	Total 2019
	£	£	£	£	£
<b>Cost of raising funds</b>					
Charity shop costs	2,018,455	1,430,148	538,959	<b>3,987,561</b>	3,987,938
Fundraising and publicity	718,393	285,379	152,608	<b>1,156,379</b>	1,219,609
Expenses of subsidiary - Note 2	-	216,169	-	<b>216,169</b>	170,092
Lottery costs	-	7,800	-	<b>7,800</b>	8,620
Investment Management Costs	-	32,863	-	<b>32,863</b>	39,740
	<b>2,736,848</b>	<b>1,972,359</b>	<b>691,566</b>	<b>5,400,773</b>	<b>5,425,999</b>
<b>Direct charitable activities</b>					
Patient Services costs	5,982,721	1,244,235	1,128,262	<b>8,355,218</b>	8,600,849
Education services	269,235	183,309	52,016	<b>504,560</b>	506,020
	<b>6,251,957</b>	<b>1,427,545</b>	<b>1,180,278</b>	<b>8,859,778</b>	<b>9,106,869</b>
<b>Governance Costs</b>					
	25,270	42,606	-	<b>67,876</b>	64,574
	6,227,226	1,470,151	1,180,278	<b>8,927,655</b>	9,171,443
<b>Total resources expended: 2020</b>	<b>9,014,073</b>	<b>3,442,511</b>	<b>1,871,845</b>	<b>14,328,429</b>	14,597,442
Total resources expended: 2019	9,157,106	3,542,600	1,897,736	14,597,442	

Included in the Governance Costs above are the following costs:

	2020	2019
	£	£
Auditor's remuneration	<b>10,950</b>	10,625
(inc. applicable VAT) :	-	-
External audit		
Non-audit services	<b>8,020</b>	7,787
Internal Auditor (inc. applicable VAT):		

Governance Costs also include an apportionment of Senior Management costs.

#### 4. Analysis of Resources Expended

Charitable Activities	Staff Costs	Other Direct Costs	Support Costs	Total	Total
	£	£	£	2020	2019
In Patient Unit	1,390,974	363,802	223,837	<b>1,978,613</b>	2,099,531
Day Patient Unit/Comp Therapy	527,466	155,456	118,442	<b>801,364</b>	790,067
Lodges	16,038	24,957	-	<b>40,994</b>	49,725
Nurse Specialists	1,198,547	173,052	194,909	<b>1,566,508</b>	1,449,197
Hospice at Home	1,124,132	157,459	279,617	<b>1,561,208</b>	1,577,014
Lymphoedema & Physiotherapy	564,426	127,596	141,692	<b>833,713</b>	921,198
Medical Services	614,184	135,808	57,537	<b>807,529</b>	838,896
Family Support	546,954	106,106	112,228	<b>765,288</b>	875,221
Education	269,235	183,309	52,016	<b>504,560</b>	506,020
<b>TOTAL</b>	<b>6,251,957</b>	<b>1,427,544</b>	<b>1,180,278</b>	<b>8,859,778</b>	<b>9,106,868</b>

#### Support Costs Breakdown

Basis of Allocation:	Administration & Telecoms	IM	Finance & Personnel	Provisions/Non recurring costs	Total	2019
	Staff Numbers (excl. shops)	Number of PCs	Staff Numbers	Staff Numbers	2020	£
Inpatient Unit	56,270	43,280	97,475	26,812	<b>223,837</b>	247,320
Day Patient Unit/Comp Therapy	18,928	57,707	32,789	9,019	<b>118,442</b>	167,417
Lodges	-	-	-	-	-	-
Nurse Specialists	41,474	61,829	71,845	19,762	<b>194,909</b>	192,696
Hospice at Home	71,084	51,524	123,138	33,871	<b>279,617</b>	255,108
Lymphoedema & Physiotherapy	22,962	68,011	39,777	10,941	<b>141,692</b>	130,380
Medical Services	12,151	18,549	21,048	5,790	<b>57,537</b>	70,090
Family Support	21,487	43,280	37,222	10,239	<b>112,228</b>	99,270
Education	7,219	28,853	12,505	3,440	<b>52,016</b>	75,879
Charitable Activities	<b>251,573</b>	<b>373,032</b>	<b>435,799</b>	<b>119,873</b>	<b>1,180,278</b>	1,238,160
Retail	39,019	105,109	309,656	85,176	<b>538,959</b>	474,585
Fundraising	37,283	32,975	64,585	17,765	<b>152,608</b>	184,990
<b>Total</b>	<b>327,875</b>	<b>511,117</b>	<b>810,040</b>	<b>222,815</b>	<b>1,871,845</b>	<b>1,897,736</b>

## 5. Employee Information

	2020	2019
	£	£
Wages and salaries	9,031,842	9,111,322
Social security costs	766,042	773,321
Pension costs	665,375	666,449
	10,463,259	10,551,092

£1,336,086 of the above are included in Support and Other Costs shown in Note 4.

The average number of permanent employees (whole-time equivalent) during the year was as follows:

Patient service	Nursing staff	107	103
	Medical	8	9
	Chaplain	1	2
	Social worker	10	9
	Support staff	22	23
		149	146
Education		5	6
Fundraising		23	24
Management and administration		41	39
Dorothy House shops		89	84
		308	299

The numbers of employees who earned more than £60,000 per annum was:

£60,000 - £70,000	2020	2019
	2	0
£70,000 - £80,000	3	5
£80,000 - £90,000	2	1
£90,000 - £100,000	1	1
£100,000 - £110,000	0	1

Of these, 4 (2019 4) are Clinical staff. Pension contributions for all 8 employees amounted to £66,189 (2019: 8 employees, £65,305). £519 pension contributions (2019 nil) were paid on behalf of key management staff not included in the bandings above. Senior Management pay is regulated by the Pay and Remuneration Committee.

The charity considers that the key management personnel comprise the Trustees and the Executive team – who are the Chief Executive and 5 other Heads of Department.

The total salaries and employer pension contributions of the key management personnel of the charity were £533,336 (2019 £652,233).

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## 6. Trustees' Remuneration and Expenses

The Trustees of the charity received no remuneration but travel expenses totalling £1,523 (2019: £890) were reimbursed to 2 (2019: 2) Trustees.

In addition to their time, the trustees often provide support to the charity in the form of monetary donations and the donation of goods for sale in the charity's shops. The value of such donations was less than £500 per trustee (2019: all donations less than £500 per Trustee).

The charity has insurance costing £382 (2019: £382 Trustees only) to indemnify the Trustees from any loss arising from their neglect or default.

## 7. Pension Costs

The charity makes contributions for eligible employees to the National Health Service Pension Scheme which is a multi-employer defined benefit pension scheme where pensions payable are based on final pensionable salary. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reasonable basis, the scheme is treated by the charity as if it were a defined contribution scheme, as permitted by FRS 102 section 28 "Employee Benefits". Contributions are charged to the Statement of Financial Activities in the year in which they are made.

For employees who are ineligible to join the NHS scheme, the charity also operates two defined contribution pension schemes - a "Group Personal Pension" scheme and an "Auto Enrolment" scheme both through Aviva. The schemes' funds are administered by independent trustees and are independent of the charity's finances. Benefits under the scheme are dependent on contributions paid and the charity is not committed to the provision of a pension related to final salary.

The charity's frozen Flexiplan pension scheme (FPS) was bought-out in 2017 by Aviva. All employer liabilities are now fully discharged to the effect of no further contributions being due.

The charity's contributions to pension schemes in the year amounted to £665,375 (2019: £666,449); the amount of contributions due by the charity to the schemes at the year end was £142,824 (2019: £205,385).

**8. Fixed Assets**

<b>CHARITY:</b>	Land and Buildings:		Fixtures and Equipment	Motor Vehicles	<b>Charity Total</b>
	Freehold	Leasehold			
<b>Cost</b>	£	£	£	£	£
At start of year	6,332,641	570,062	4,793,127	120,042	<b>11,815,872</b>
Additions	37,228	-	324,889	-	<b>362,117</b>
Disposals	(31,078)	-	(40,786)	-	<b>(71,864)</b>
At end of year	6,332,641	570,062	5,077,230	120,042	<b>12,106,125</b>
<b>Depreciation</b>					
At start of year	-	275,653	3,597,148	111,102	<b>3,985,185</b>
Charge for the year	-	38,780	399,804	5,574	<b>452,272</b>
Depreciation on Disposals	-	0	(12,838)	-	<b>(12,838)</b>
Eliminated on disposal	-	-	-	-	
At end of year	-	314,434	3,993,510	116,676	<b>4,424,619</b>
<b>Net Book Value</b>					
At end of year	<b>6,338,791</b>	<b>255,629</b>	<b>1,108,959</b>	<b>3,366</b>	<b>7,706,745</b>
At start of year	6,332,641	294,409	1,217,780	8,940	7,853,770

**8. Fixed Assets (continued)**

<b>GROUP:</b>	Land and Buildings:		Fixtures and Equipment	Motor Vehicles	<b>Group Total</b>
	Freehold	Leasehold			
<b>Cost</b>	£	£	£	£	£
At start of year	6,332,641	570,062	4,816,210	120,042	<b>11,838,956</b>
Additions	6,150	-	327,044	-	<b>333,194</b>
Disposals	-	-	(40,786)	-	<b>(40,786)</b>
At end of year	<b>6,338,791</b>	<b>570,062</b>	<b>5,102,469</b>	<b>120,042</b>	<b>12,131,364</b>
<b>Depreciation</b>					
At start of year	-	275,653	3,598,430	111,102	<b>3,578,324</b>
Charge for the year	-	38,780	407,918	5,574	<b>432,941</b>
Depreciation on Disposals	-	-	(12,838)	-	<b>(26,080)</b>
Eliminated on disposal	-	-	-	-	<b>-</b>
At end of year	-	314,434	3,993,510	116,676	<b>4,424,619</b>
<b>Net Book Value</b>					
At end of year	<b>6,338,791</b>	<b>255,629</b>	<b>1,108,959</b>	<b>3,366</b>	<b>7,706,745</b>
At start of year	6,332,641	294,409	1,217,780	8,940	7,853,770

The net book value at the end of the year represents assets used for the following purposes:

	Land and Buildings:		Fixtures and Equipment	Motor Vehicles	Total
	Freehold	Leasehold			
	£	£	£	£	£
Patient services	6,205,787	99,095	560,225	-	<b>6,685,106</b>
Other purposes: Management	-	-	375,807	-	<b>375,807</b>
Charity shops	313,004	156,534	172,927	3,366	<b>645,831</b>
	<b>6,338,791</b>	<b>255,629</b>	<b>1,108,959</b>	<b>3,366</b>	<b>7,706,745</b>

The freehold property shown under patient services is the Charity's property at Winsley. Parts of this property are used for management, administration and educational purposes, and part is let; the Trustees do not believe it is practical to try and apportion the net book value between these various uses.

**9. Investments**

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Market value at the start of the year		<b>5,819,108</b>		7,230,197
Net additions to the investment portfolio:				
Movement in cash balances invested: (reduction)/increase		<b>(2,000,000)</b>		500,000
Portfolio investment income held by brokers		<b>145,078</b>		203,123
Management fees charged		<b>(33,249)</b>		(40,944)
Gains or (losses) in the year:				
Realised - on sale of investments	<b>186,875</b>		373,767	
Unrealised - change in value of portfolio in the year	<b>(524,450)</b>		52,965	
		<b>(337,574)</b>		426,732
Market value at the end of the year		<b>3,593,361</b>		5,819,108
The investments are held as follows:		£		£
Managed by brokers:				
Fixed interest stocks		<b>631,566</b>		895,091
Equities - UK		<b>1,148,755</b>		2,163,653
Equities - non-UK		<b>1,107,670</b>		1,844,660
Other Investments		<b>541,235</b>		763,021
Uninvested cash balances		<b>164,135</b>		152,684
		<b>3,593,361</b>		5,819,109
Investment in subsidiary		<b>2</b>		<b>2</b>

One investment, SPDR Series Trust (S&P 500) ETF accounted for 9.9% (2019: 8.58%) of the portfolio managed by the investment advisers at 31 March 2019. There were no other investments accounting for more than 5% of the value of the portfolio.

**10. Debtors**

	Note	At 31 March 2020		At 31 March 2019	
		Group £	Charity £	Group £	Charity £
Trade debtors		80,654	80,654	239,878	232,223
Legacies		1,246,504	1,246,504	301,770	301,770
Other accrued income		119,984	119,984	15,079	15,079
Other debtors		382,607	379,400	464,995	463,399
Amount owed from subsidiary	2	-	36,026	-	24,837
Prepayments		790,910	790,910	369,339	365,461
		<b>2,620,659</b>	<b>2,653,478</b>	1,391,061	1,402,769

**11. Liabilities**

	At 31 March 2020		At 31 March 2019	
	Group £	Charity £	Group £	Charity £
<b>AMOUNTS DUE IN LESS THAN ONE YEAR</b>				
Trade creditors	291,671	291,671	251,036	231,545
Taxes and social security	258,127	258,127	257,519	257,519
Other creditors	627,359	593,034	775,234	765,606
Accruals and deferred income	152,860	152,860	229,223	217,322
	<b>1,330,018</b>	<b>1,295,693</b>	1,513,012	1,471,993

**AMOUNTS DUE IN MORE THAN ONE YEAR**

Other creditors	<b>8,482</b>	<b>8,482</b>	<b>42,410</b>	<b>42,410</b>
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**DEFERRED INCOME**

	Group 2020 £	Group 2019 £
Deferred income at 1 April	54,211	803
Resources deferred during the year	31,091	54,211
Amounts released from previous years	(54,211)	(803)
Deferred income at 31 March	<b>31,091</b>	54,211

Deferred income represents amounts paid in advance for clinical services.

## 12. Restricted Funds

The funds of the charity include restricted funds comprising the following donations and grants held on trust to be applied for specific purposes:

	At 31 March '19	Incoming £	Expense £	Transfers £	At 31 March'20 £
Winsley Hospice Appeal	1,389,449	-	-	(1,389,449)	-
Space to Care Appeal	1,311,459	-	-	(1,311,459)	-
Regional Commissioner Grants	78,577	-	(49,751)	(28,826)	-
Department of Health Capital Grants	474,719	-	(5,431)	(469,288)	-
Private Capital Grants, Trusts & Legacies	93,333	21,000	(19,713)	(94,620)	-
IPU Appeal	97,022	46,195	(28,643)	(114,573)	-
Restricted Income in year	-	113,808	(113,808)	-	-
	<u>3,444,559</u>	<u>181,003</u>	<u>(217,347)</u>	<u>(3,408,216)</u>	<u>-</u>

The Winsley Appeal was established in 1994 to provide for the purchase and refurbishment of the charity's hospice at Winsley – the Appeal was formally closed in 1996.

The Space to Care Appeal was commenced in 2004, and was for the building of two extensions to the Winsley building, to expand Day Care and In-patient facilities and improve Education facilities – the Appeal was formally closed on 31st March 2007.

The Department of Health Capital Grants were given in 2007/8, 2010/11 and 2013/14 for capital projects designed to improve the quality of services.

Regional and Private Capital Grants were provided to develop community services and education within North Somerset, Wiltshire & B&NES

During the year the Trustees reviewed the restrictions placed on fixed assets. The trustees determined that these restrictions have now been met and that these assets should now be treated as designated fixed assets.

## 13. Designated funds

The bulk of the charity's fixed assets have been funded from unrestricted income, mainly donations and legacies; at 31 March 2020 this funding amounted to £7,706,745. As these funds are not available for expenditure on future charitable objects the Trustees believe it appropriate to show these amounts as designated reserves, separate to the free funds of the charity.

Designated service development reserves are for capital expenditure required for maintaining an appropriate standard of our facilities for patients, staff and supporters. Five year budgets are set to generate small surpluses to maintain reserves at current levels, deemed to be appropriate to manage the risks we plan to mitigate. In recognition of the volatility of future legacy income, additional assets have been designated to protect against this.

#### 14. Analysis of Group Net Assets between Funds

Fund balances at 31 March 2020 are held as follows:

	Restricted Funds	Designated - fixed assets	Designated - DHTrading Ltd	Designated - Service Devel't	Unrestricted & Unassigned	<b>Total</b> 2018
	£	£	£	£	£	£
Tangible fixed assets	-	7,706,745	-	-	-	<b>7,706,745</b>
Investment portfolio	-	-	-	1,500,000	2,093,361	<b>3,593,361</b>
Current assets	-	-	14,789	937,194	2,308,943	<b>3,260,926</b>
Liabilities	-	-	-	-	(1,338,500)	<b>(1,338,500)</b>
	<b>-</b>	<b>7,706,745</b>	<b>14,789</b>	<b>2,437,194</b>	<b>3,063,805</b>	<b>13,222,533</b>

Fund balances at 31 March 2019 are held as follows:

	Restricted Funds	Designated - fixed assets	Designated - DHTrading Ltd	Designated - Service Devel't	Unrestricted & Unassigned	<b>Total</b> 2018
	£	£	£	£	£	£
Tangible fixed assets	3,444,559	4,409,211	-	-	-	<b>7,853,770</b>
Investment portfolio	-	-	-	2,207,000	3,612,108	<b>5,819,108</b>
Current assets	-	-	14,789	-	2,090,249	<b>2,105,038</b>
Liabilities	-	-	-	-	(1,555,422)	<b>(1,555,422)</b>
	<b>3,444,559</b>	<b>4,409,211</b>	<b>14,789</b>	<b>2,207,000</b>	<b>4,146,935</b>	<b>14,222,494</b>

### 15. Commitments Under Operating Leases

The total commitments under operating leases were:

Payments falling due:

- Less than one year
- One to two years
- Two to five years
- More than five years

Shop leases	Outreach Centres	Other Leases
£	£	£
620,729	79,000	12,400
374,740	79,000	-
319,562	9,532	-
134,238	-	-
<b>1,449,269</b>	<b>167,532</b>	<b>12,400</b>

### 16. Capital Commitments

Contracted for

Authorised but not yet contracted for

2020	2019
£	£
14,482	27,878
487,518	461,122

### 17. Financial Instruments

#### Financial assets

Financial assets that are measured at fair value through profit or loss:

- Listed securities
- Deposit accounts

Financial assets that are measured at amortised cost:

- Cash at bank and in hand
- Trade debtors
- Other debtors

2020	2019
£	£
3,429,226	5,666,425
164,135	152,684
589,351	681,546
80,654	239,878
1,749,095	781,844
<b>6,012,461</b>	<b>7,522,377</b>

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**Financial liabilities**

Financial assets that are measured at amortised cost:

- Trade creditors
- Accruals

<b>291,671</b>	<b>251,036</b>
<b>121,769</b>	<b>175,012</b>
<b>413,440</b>	<b>426,048</b>

**18. Post Balance Sheet Events**

The Trustees estimate that COVID-19 and the associated measures designed to combat its spread will have a material effect on the charity's operations and financial performance for the 2020-21 financial year. They are monitoring the situation closely and taking actions not only to help at this time of need through the provision of additional care by opening a CCG funded 8 bed ward, but also by minimising the financial effect so that the charity can emerge from the global crisis as effectively as possible. The Trustees have made use of the grants and schemes provided by the government including: the Coronavirus Job Retention Scheme and the Coronavirus Business Interruption Loan Scheme from which a loan of £1.75m has been received secured against a charge on our Winsley property.



**Dorothy  
House**  
HOSPICE CARE