



**Northern
Ireland
Hospice**

Annual Report and Financial Statements

Year Ended 31 March 2020

Contents

Report of the Board of Trustees.....	3
Auditor's Report.....	26
Consolidated Statement of Financial Activities.....	30
Balance Sheet.....	31
Consolidated Cash Flow Statement.....	32
Notes to the Consolidated Accounts.....	33

Report of the Board of Trustees

The Board of Trustees presents its report and audited financial statements for the year ended 31 March 2020.

Company Number: NI 14817
Charity Number: NIC102337
HMRC Number: XN45696
VAT Number: 308367790
Registered Office: 18 O'Neill Road, Newtownabbey, BT36 6WB

President

Mr P Clark MBE

Board of Trustees

Mr D Clements	Chair
Dr G Millar	Vice Chair
Mr G Calow	Treasurer (appointed 20 August 2019)
Mr A Dickson	(appointed 14 November 2019)
Mr B Dornan	
Mr J Graham	
Dr R Houston	(appointed 20 August 2019)
Mrs G McAuley	
Ms J Smyth	(appointed 14 November 2019)
Mr A Talbot	
Mr D Vincent	
Ms M Butler	(term ended 14 November 2019 – former chair)
Prof R Hayes	(term ended 14 November 2019)
Ms H Moore	(appointed 14 November 2019, resigned 27 February 2020)
Mrs H Pallin	(term ended 14 November 2019)
Mrs A Witherow	(term ended 19 July 2019)

Finance Sub-Committee (FSC)

Mr G Calow (Chair), Mr D Clements and Mr A Dickson

Nominations and Board Governance Committee (NBGC)

Mr D Clements (Chair), Mrs G McAuley, Dr G Millar and Mr A Talbot

Remuneration Committee (RemCo)

Mr D Clements, Mrs G McAuley and Mr G Calow

Company Secretary

Mr T McCartney

Corporate Leadership Team

Mrs H Weir	Chief Executive Officer
Mr T McCartney	Director of Corporate Services
Mrs M McCall	Director of Commercial and Brand Development
Mrs D Burns	Director of Care and Quality Governance

Auditors Finegan Gibson Ltd, Causeway Tower, 9 James St S, Belfast, BT2 8DN

Principal Bankers Danske Bank, Donegall Square West, Belfast, BT1 6JS
Solicitors Elliott Duffy Garrett, 40 Linenhall St, Belfast, BT2 8BA

We are Northern Ireland Hospice

We provide specialist palliative care to improve the lives and provide comfort to infants, children and adults with life-limiting and life-threatening illnesses throughout their lives. We ensure that people have the best quality of life, caring for them at the end of their lives with physical, social, spiritual and psychological support. We do this through:

Our Hospices

We have two hospices, Somerton House, our adult hospice and Horizon House, our Children's Hospice, the only one in Northern Ireland. Our multi-disciplinary teams provide clinical care as well as a compassionate emotional support, wrapping our care around the entire family.

Our Community Services

We have eight teams of Specialist Community Nurses that deliver care across Northern Ireland. These nurses support patients and their families by working closely with GPs and District Nurses to identify each person's needs and develop personalised health care plans.

Our Hospice at Home service provides one-to-one nursing care during the day, evening or night to allow family members to have a break and look after their own wellbeing.

Our Hospice Hub

We plan personalised programmes of care based on an individual's symptoms, their physical ability and emotional and mental needs. Some of our services include, physiotherapy, a dementia clinic, complementary therapies, occupational therapy and symptom management.

Our Palliative Care Learning Academy

We are the only provider of learning for adult and children's palliative care in Northern Ireland. We train health care professionals with courses spanning the human lifecycle, from pre-birth, infancy and childhood right through to the care of adults and older people.

Our Vision

Is that infants, children and adults with life-limiting and life-threatening illnesses and their families, receive palliative care of the highest standards, thereby maximising their quality of life.

Our Mission

Is to inspire and deliver excellent and compassionate specialist palliative care via effective service models underpinned by exemplary education, innovation and research.

Values

We believe in:

- A culture of respect and acceptance without distinction or judgement, where everyone can belong.
- Acting with courage, compassion and integrity to add value to all that we do.
- Being pioneering, professional and accountable to deliver our very best.

A word from our Chairperson and Chief Executive Officer

Hello,

Welcome to our Trustees' Annual Report and Accounts for 2019/20. As we write this message we are conscious how as a society we have been reminded of the importance of making every moment matter, to live well and die well surrounded by those most important to us.

The unprecedented situation the world has experienced due to the COVID-19 Pandemic has changed the way we live and as society mourns the death of thousands, now more than ever the need for specialist palliative care such as that delivered by the Northern Ireland Hospice has never been more important.

During 2019/20, the second year of our three-year strategic plan, we continued to implement the work-streams associated with our four strategic objectives. The external environment continues to be challenging in terms of our ability to generate the revenue needed. This, together with a backdrop of increased demand for our caring services in the Children's Hospice and Adult Hospice services, has seen our services work to capacity, with over-performance in our community services.

You can read more about our achievements this year over the next few pages. This Trustee Report and Accounts gives you an overview of our achievements, a full financial report and accounts as well as legal and administrative information about Northern Ireland Hospice.

As Chairman and Chief Executive Officer (CEO), we would like to pay tribute to our volunteers and staff who make Hospice a special place, enabling a special way of caring. Throughout 2019/20 we have welcomed new members to our team and said farewell to those who have entrusted us to take the Charity forward. During 2019/20 the Board of Trustees successfully recruited several new Trustees who joined the Board in shadow form enabling a handing over of the responsibility for setting the strategic direction and ensuring good governance of the Charity.

Our brand remains strong and our reputation for supporting over 4000 local babies, children and adults, together with the unwavering generosity of local people, our Ambassadors, our Business Partners and other local organisations, has made 2019/20 a year of growth and innovation, preparing us for the future.

Thank you for your continued support and interest in the Northern Ireland Hospice and Northern Ireland Children's Hospice. If you would like to find out more information about our work or the support we offer, visit our website at www.nihospice.org.

We commend this annual report to you and hope you continue to support the Charity achieve its objects of delivering high quality specialist palliative care in an environment of learning, striving for excellence in all we do.



David Clements
Chairperson



Heather Weir
Chief Executive Officer

Directors'/Trustees' Strategic Report

The Directors have pleasure in submitting their Annual Report and audited Financial Statements of the company for the year ended 31 March 2020.

Structure, Management and Governance

Background

Northern Ireland Hospice provides a public benefit, as a charity by:

- Promoting comfort and relieving the suffering caused by illness of children, young people and adults living with advancing progressive conditions, and their families, by delivering specialist palliative care service and support (including but not limited to physical, social, spiritual and psychological support) in Northern Ireland at our in-patient hospice units, hospice out-patient clinics and also in the community; and
- advancing health and wellbeing, in particular palliative care services and support, through the provision of training for clinical and non-clinical professionals working in a care setting as well as staff, volunteers and others, and conducting, promoting or encouraging evaluation and research into the care and treatment of persons suffering from advancing progressive conditions in Northern Ireland and in any part of the world and disseminating the results thereof.

Northern Ireland Hospice provides these specialist palliative care services and support at no cost to patients with life-threatening and life-limiting illnesses, their carers and families.

Legal Status

Northern Ireland Hospice (Hospice) is a registered charity, number NIC102337, and a Company Limited by Guarantee (CLG), registered in Northern Ireland, number NI14817.

Board members and Structure

Members of the Board of Trustees are Trustees for the purpose of charity law and Directors for the purpose of company law. The report of the Board of Trustees includes the directors' report as required by company law.

Directors are drawn from diverse backgrounds in health, business and professional life, up to a maximum of twelve members. This ensures a broad range of experience and skills are brought to Board deliberations.

Six members of the Board are elected from and by the membership, and a further four to six Trustees are invited by the Board. Both elected and invited Trustees may serve for a maximum of two terms following which they must stand down for a minimum of two years. The office bearers of Chair, Vice-Chair and Treasurer are chosen from within the Board and can remain in office for up to six years.

Induction is provided to new Board members and training is provided to the Board as required in areas such as risk, safeguarding, child protection, and charity governance or if specifically requested.

Board and staff members adhere to a Code of Conduct and a Declaration of Interests is completed annually.

The Board meet every two months and are responsible for the strategic direction and governance of the charity. The Board's principal responsibilities include determining the overall strategy, policies, direction and goals of the Northern Ireland Hospice; protecting and promoting the identity and values of the Charity; and fulfilling their statutory responsibilities. In setting our objectives and planning our activities for the year, the Trustees have considered the Charity Commission for Northern Ireland's guidance on public benefit to ensure that the activities have helped to achieve the Charity's purposes and provide a benefit to the beneficiaries.

A scheme of delegation is in place and the Board delegates the day-to-day operation of the organisation to the CEO supported by three Directors who form the membership of the Corporate Leadership Team. The Corporate Leadership Team members and the medical lead(s) attend Board meetings but have no voting rights.

There are clear distinctions between the role of the Board and the Corporate Leadership Team. The Corporate Leadership Team is responsible for preparing policy, strategic planning budgets, financial reports and risk registers, which are approved by the Board. The Corporate Leadership Team then implements the policy, plans and budgets and the Board continually monitors these.

The Corporate Leadership and Management Team, comprising of the CEO, Directors and Department Heads, works collectively to lead and manage the various functions of Hospice with an emphasis on effective engagement, working in partnership, and valuing the contribution of all of our people in a supportive environment.

No Board Directors/Trustees receive remuneration for their services to Northern Ireland Hospice but are reimbursed for any incidental expenses claimed.

During the past financial year, the Board met 6 times, giving the members the opportunity to develop greater understanding of the organisation's objectives and performance. Four new Board members participated in induction training.

Following the natural end of her tenure, Ms M Butler resigned from her position as Chair, and Trustee, on 14 November 2019. Mr D Clements was appointed Chair at that point. Professor R Hayes also ended his tenure and position as Vice Chair on 14 November 2019 with Dr G Millar becoming Vice Chair. Mr G Calow was appointed a Charity Trustee in August 2019 and now holds the position of Treasurer. Following the end of term for a number of Trustees, Mrs H Pallin and Mrs A Witherow resigned in 2019, with a further resignation from Mrs H Moore in February 2020. To replace those Trustees, further Trustees were appointed, namely Mr A Dickson, Dr R Houston and Mrs J Smyth who were appointed in 2019, with Mrs K Thompson appointed in April 2020. The Board therefore, at date of signing the accounts, consists of 12 Charity Trustees, which is accurately reflected in Companies House and with the Charity Commission for Northern Ireland.

The Board is supported by Sub-Committees, in the areas of:

- Finance (chaired by the Treasurer),
- Nominations and Board Governance, and
- Remuneration.

Finance Sub-Committee

The Finance Sub-Committee (FSC) is responsible, on behalf of the Board of Trustees of Northern Ireland Hospice for ensuring that all the finances of the Hospice are appropriately applied in securing the objects and strategic objectives of the organisation and that its assets are properly safeguarded.

The Committee meets at least bi-monthly and is made up of at least two Trustees with relevant financial experience. The Chair of the Committee reports to the Board at the subsequent Board meeting.

The FSC operates under a Terms of Reference and assists the Board in their responsibility for:

- Reviewing financial strategies and policies.
- Ensuring adequate financial and management controls are in place.
- Reviewing on an annual basis the Hospice's risk management strategy and providing assurance to the Board.
- Monitoring the finance risk register and the arrangements for managing financial risk.
- Appointment of external auditors in line with standing requirements and managing the Hospice's relationship with the external auditors (including monitoring and reviewing the external auditor's independence, objectivity and effectiveness annually).
- Ensuring the Annual Report and Financial Statements are prepared in line with all relevant requirements, guidelines, and agreeing the choice of key accounting policies and principles and advising the Board on whether the annual report is fair, balanced, and understandable and provides the information necessary for users to assess the company's performance, business model and strategy.
- Reviewing the recommendations contained within both internal and external audits and ensuring an appropriate implementation process is in place.
- Ensuring adequate income is available to deliver the organisation's objectives.
- Reviewing and approving, delegated authority expenditure limits and approval of expenditure of a significant nature (within approval levels).
- Monitoring national finance and benefit changes that will affect the organisation and ensure that any changes are notified to those affected.
- Monitoring and reviewing the organisation's liabilities to pension schemes and scheme administrators.

The FSC met six times during the year.

Nomination and Board Governance Committee

The Nomination and Board Governance Committee (NBGC) is responsible, on behalf of the Board of Trustees of Northern Ireland Hospice for ensuring the appropriate composition of the Board of Trustees and appropriate governance procedures are in place in the Hospice. The Committee is responsible for recommending changes to the composition of the Board, and keeps under review a skills matrix and a succession timetable for Trustees plus a succession process for the Corporate Leadership Team roles. The Committee is mindful of the benefits of a diverse Board with a broad range of skills and experience.

The Committee meets at least twice a year and is made up of at least two Trustees in addition to the Chair. Additional co-opted members may be appointed to bring additional relevant skills to the Committee. The Chair of the Committee reports to the Board at the subsequent Board meeting.

The NBGC operates under a Terms of Reference and assists the Board in their responsibility for:

Governance

- Reviewing the structure, size and composition of the Board of Trustees and its committees and recommending necessary changes to the Board.
- Reviewing the skills, knowledge and experience on the Board of Trustees and identifying gaps to be filled.
- Ensuring the effectiveness of governance arrangements and compliance with charity and company law.
- Ensuring the Board members receive suitable training on governance, and that safeguards and confirmations are in place in respect of conflicts of interest and eligibility of candidates to act as Trustees.
- Developing and recommending to the Board of Trustees the Board Governance principles that should apply to the Hospice, having regard to the Articles of Association and changes to applicable laws and regulation, as appropriate.
- Reviewing the major Board governance risks on a regular basis.
- Reviewing the selection and succession planning process for the appointment of Company Directors/Trustees.
- Recommending to the Board on a timely basis the succession plan for the positions of Chair of the Board of Trustees and the CEO of the Hospice.
- Ensuring the Board's decision-making is not dominated by any one individual or small group of individuals that is detrimental to the interest of the Hospice as a whole.
- Reviewing and assessing on an annual basis the adequacy of the Hospice's Corporate Governance arrangements and recommending any changes to the Board.
- Reviewing and managing the process by which an evaluation of the Board and its committees is conducted. At a minimum a biennial self-assessment should be performed and from time to time an external evaluation should be performed.
- Conducting an annual appraisal of the Chair of the Board and without the Chair present, oversee and ensure that the Chair of the Board is considered and, if thought fit, proposed for reappointment following the initial three year term to the Board.
- Reviewing Governance disclosures within the Annual Report and Financial Statements.

Elections and appointments

- Ensuring adequate succession planning for Board and Committees members.
- Ensuring adequate balances of skills, knowledge experience and diversity on the Board.
- Developing Role profiles for new appointments.
- Nominating potential candidates and overseeing selection and appointment.
- Reviewing appointment procedures and documentation and making any relevant recommendations.
- Ensuring Trustees are eligible to act under company law and ensuring Trustees complete appropriate paperwork (Fit and proper persons declaration and declaration of interests).
- Ensure governance arrangements on appointment are adhered to and that new Trustees receive an induction and development plan.
- Agree the wording of the Annual Report and Financial Statements describing the work of the Committee including the process used in relation to the appointment of Trustees.

The NBGC met twice during the year.

Remuneration Committee

The Remuneration Committee (Remco) is responsible, on behalf of the Board of Trustees of Northern Ireland Hospice for ensuring that there are adequate processes and policies in place to determine executive remuneration, reward and performance management, which are in line with the charitable objects of the Hospice as well as the values and the strategic objectives of the organisation.

The Committee reviews and approves the level of remuneration and payments to be made in relation to salary, gratuities, pensions or superannuation schemes of the Chief Executive Officer and the other Directors within the Corporate Leadership Team of the Hospice and agree appropriate remuneration for all employees. The Committee agrees the process of appraisal for the Chief Executive Officer and the Directors within the Corporate Leadership Team. The Committee considers the implications of the Northern Ireland Hospice's ability to fulfil its duties under the Equality Act and other relevant legislation and guidelines.

The Committee meets at least once a year and is made up of the Chair and at least two Trustees with relevant skills. Additional co-opted members may be appointed to bring additional relevant skills to the committee. The Chair of the committee reports to the Board at the subsequent Board meeting.

The RemCo operates under a Terms of Reference and assists the Board in their responsibility for:

- Reviewing and approving the level of remuneration and payments to be made in relation to salary, gratuities, pensions or superannuation schemes for the Chief Executive Officer and the Directors within the Corporate Leadership Team of the Hospice (informed through benchmarking).
- Agreeing appropriate pay scales and other terms of remuneration for all employees in relation to cost of living increase, gratuities, pensions or superannuation schemes.
- Reviewing and approving the processes of appraising the Chief Executive Officer and Directors within the Corporate Leadership Team of the Hospice.
- Reviewing and agreeing travel and expenses policies including for the Chief Executive Officer and Chairperson.
- Agreeing the relevant sections of the annual report in relation to remuneration and expenses ensuring that they meet best practice requirements.
- Providing assurance to the Board that appropriate processes are in place to determine executive remuneration, reward and performance management are appropriate.
- Determining appropriate selection criteria and undertake the selection, appointment and setting of terms of reference for any remuneration consultants who advise the Committee, taking into account any relevant best practice and aligned to the Hospice's Articles of Association, values and strategic objectives.
- Considering the implications of how the Committee's work contributes to the Hospice's ability to fulfil its duties under the Equality Act and other relevant legislation.
- Approving a statement in the annual report about its membership, role and remit for the preceding year.

The Remuneration Committee met three times during the year.

Board and Committee attendance

Board Attendance during the year was as follows:

Name	Board	FSC	N&BG	RemCo
Margaret Butler	4/4	4/4	2/2	2/2
Garth Calow	4/5	2/2		2/2
David Clements	6/6	6/6	1/1	3/3
Alan Dickson	3/5			
Brian Dornan	4/6			
Johnny Graham	4/6			
Prof Randal Hayes	3/4		1/2	
Dr Russell Houston	6/6			
Gillian McAuley	4/6		2/2	3/3
Dr Gerry Millar	5/6		2/2	
Helen Pallin	4/4		1/2	
Heather Moore	1/3			
Janice Smyth	3/3			
Andrew Talbot	6/6		2/2	
Dave Vincent	2/4			
Anne Witherow	3/4			

Attendance is shown for each Trustee out of the number of meetings held during each Trustee's tenure.

Regulatory Environment

Northern Ireland Hospice operates in a regulatory environment, governed by the Regulation and Quality Improvement Authority as well as the Charity Commission for Northern Ireland. The corporate governance framework consists of the Corporate Governance Committee supported by four sub-committees (Effectiveness, Engagement, Safety, and Multi-Professional Advisory Committee). A new model has been adopted from the 2020/21 year with one group overseen by a nominated Trustee (Russell Houston) and the CEO who report to the Board Nominations and Board Governance Committee.

Remuneration Policy and pay and for Staff key management personnel

Clinical staff remuneration is in line with Agenda for Change pay scales. Non-clinical salaries are set within a policy that is appropriate for each leadership and charity specific role. This allows Northern Ireland Hospice to be externally competitive and internally fair in how it rewards its staff for non-clinical roles. The remuneration frameworks establish an appropriate and relevant market-informed salary range for each role, but does not feature automatic progression. This is in keeping with relevant industry benchmarks. It does however seek to promote development, and encourage and reward excellence where performance is exceptional.

The salary remuneration made to the Chief Executive Officer and the three Directors within the Corporate Leadership Team are decided upon by the Board of Trustees Remuneration Sub-Committee. The Committee considers a number of matters in arriving at its decisions, including performance and benchmarks with senior management and leadership remuneration paid in other health care charities and sectors. Medical staff who are remunerated in line with National Consultant Terms and Conditions.

Northern Ireland Hospice operates an equal opportunities policy.

Related parties

The Northern Ireland Hospice owns the entire issued share capital of Northern Ireland Hospice (Trading) Limited. The principal activity of Northern Ireland Hospice (Trading) Limited is the sale of donated goods and giftware. It operates a network of 25 retail shops in the local area and generates income for Hospice services. The Trading Company donates qualifying charitable donations (covenanted donations) to Northern Ireland Hospice under the company Gift Aid rules. In addition, gift aided donations made to the Trading Company are accounted for in the books of Northern Ireland Hospice.

In addition to a register of interests held, declaration of conflicts of interest is a standing item on the agenda for all Northern Ireland Hospice Board, and Board sub-committee meetings.

Achievements and Performance against Objectives

Objective 1 – Deliver world class palliative care services in Northern Ireland supporting infants, children and adults to live well and die well, in comfort and safety, surrounded by those most important to them.

Strategic Objective: We will embed a culture of clinical excellence across all of our palliative care services optimising capacity, while enhancing our engagement as a credible sector leader.

In terms of delivering high quality care for infants, children and adults, all care services met and exceeded contractual indicators, responding to the growing demand for our vital specialist palliative care services.

In Children's Hospice, this was the second year of the transformation prototype PALLS service. During the year the service required robust evaluation to prove its value to local families.

Children's Hospice delivered high quality care to 40 new families, supporting 410 family members across the province.

In the Adult Hospice, a growth in adult services saw a 7.3% increase in referrals to the Adult In-Patient Unit (IPU) which maintained an average occupancy of 87.5% throughout the year.

Our specialist community services accepted 2049 new patients and the Hospice Hub significantly grew the number of referrals received in its first year of operation.

Objective 2 - Demonstrate the impact and value of our vital services, raising awareness of the Charity.

Strategic Objective: To develop and expand awareness of Northern Ireland Hospice, articulating the impact and positive outcomes which we deliver. We will simultaneously grow our donor and supporter base and invest in innovative income generation platforms. We will expand and develop our education and research programmes.

2019/20 saw an escalation of effective political lobbying and successful media engagement to raise awareness of the inequality in funding Hospice services in Northern Ireland compared to England (after the Prime Minister announced £25M for Children's and Adult charitable Hospices in August 2019). A robust lobbying plan was developed, with compelling key messages which was used to help engagement with political parties. The Corporate Leadership Team built upon professional and personal connections, growing support from key influencers. Support was secured from local councils and our Ambassadors, President and Vice Presidents lobbied key stakeholders on behalf of Northern Ireland Hospice including the Permanent Secretaries of both the Department of Finance and the Department of Health. This lobbying resulted in Hospices and perinatal palliative care being specifically prioritised in the Northern Ireland Assembly's New Decade New Approach mandate for NI, published in January 2020.

The Hospice values the cross-party political support for Hospice services and influence they can bring to advocate for the specialist palliative care services upon which our local communities depend. Investment in lobbying and engagement during the year has continued to have a positive impact for the Charity, especially in March 2020 when the COVID-19 pandemic impacted our ability to generate income from our fundraising and retail operations.

Throughout the year the Corporate Leadership Team kept Ambassadors and key donors engaged. This resulted in Hospice retaining a personal connection with those Ambassadors and donors who wish their involvement with the Charity to remain private. New propositions for companies and private donors were developed with the ‘Business of Caring’ campaign launched by Brendan Rodgers and Carl Frampton. Periodically, Hospice kept our Business Ambassador network appraised of the work of Hospice as well as calling upon their support for bespoke opportunities. These connections also extend to some of the Trusts and Foundations who continue to support the Charity.

Objective 3 – Live the values of Hospice, making the care of others our motivation to continually learn and grow.

Strategic Objective: Implement our ‘People and Development Plan’ which will support the resilience, recognition, health and well-being of our people and help us to attract, retain and utilise volunteers’ knowledge and skills.

We have around 380 staff and 1200 volunteers working hard at Hospice, delivering first class services to our patients and their families. The People and Organisational Team ensures we have the right structures, systems and skills in place to enable our people to deliver their best work now and in the future.

To aid this we launched a 3 -year People and Organisational Development Strategy in 2019. The strategy can be broken down as follows:

Year 1:	Developing strong foundations and building capacity.
Year 2:	Developing organisational capability and structured Organisational Development Programmes.
Year 3:	Supporting staff through Organisational Development programmes and demonstrating the impact of our vital services.

Hospice has made significant progress in our People and Organisation Development Strategy in its first year despite the immense challenges the COVID-19 Pandemic brought to us all.

Year 1 has primarily focused on improving the way we work in terms of our policies, systems and processes which we have transformed and modernised to ensure we can provide timely and accurate data and insights to our managers and team leaders. We are proud of our digital transformation and in particular that all staff files and forms are now electronic giving quick and easy access, not only freeing up physical space but reducing paper and enhancing compliance with General Data Protection Regulations (GDPR).

The People and Organisational Development Team supports our people in the delivery of their objectives. Workforce design has been a focus for the Charity this year. We have developed innovative career pathways for our people, providing clear career progression for everyone. This has been supported by learning and development programmes to build the skills and knowledge needed along the way.

Engagement is important to us and never more so than during the COVID-19 Pandemic. We have ensured that our employees’ voices are heard by undertaking a number of quick pulse surveys ranging from health and wellbeing to the impact of the Job Retention Scheme and working from home. This enabled us to quickly support our people in the new world created by the Pandemic and to ensure their resilience and business continuity.

We believe passionately that good mental health and wellbeing is the cornerstone of high quality work so helping ensure our teams are happy, healthy and resilient is high on our agenda. We have an established Health and Wellbeing Group which promotes and encourages our staff to take time out to look after themselves, so they are better equipped to look after others and thrive in the challenging environment of palliative care. We have provided de-briefing sessions and programmes to help manage anxiety and sleep during the pandemic. We promote a range of physical and mental health activities from Walking Wednesdays to our cycle to work scheme, art and music therapeutic activities, and we scheduled a range of events for World Mental Health day on diverse subjects from nutrition, stress and self-care workshops to Reflexology Reiki, Mindfulness and massage therapies. Our staff have 24/7 access to an Employee Assistance Programme (Inspire) which offers confidential counselling as well as access to our specially trained Mental Health First Aiders.

The appearance of the Covid-19 Pandemic in March 2020 changed almost every aspect of our working and personal lives. We had to change how we worked almost overnight. We had to introduce new health and safety guidance, as well as having to close our shops, cease our fundraising activities and support as many staff as possible to work from home. This was a significant challenge and our People and Organisational Development Team, supported by their colleagues in our Information Technology, Estates and Communication teams, responded with agility, tirelessly working to support our people through this unprecedented time. We kept up to date with ever-changing regulations and advice from government and health agencies, to ensure we gave the best advice, guidance and support to our people.

Our focus in the year ahead will be to launch our new Engagement Strategy and behavioural frameworks for our people. We will continue the work we have commenced on workforce design projects, and work to further build capability through structured training programmes for emerging and existing leaders. Alongside this we will implement a Volunteer Strategy to ensure our volunteering effort grows and develops to support our services.

Objective 4 – Demonstrate Organisational Excellence in all our activities, at the bedside and in the Boardroom.

Strategic Objective: We will plan effectively for organisational development, focusing on long-term sustainability and development of Hospice services, while demonstrating embedded and effective governance.

We took time to review and develop our technology strategy to ensure we had a clear understanding of the long-term needs of the organisation in the context of ensuring we had a robust reliable and resilient infrastructure.

Our Technology Strategy covered five main areas:-

- Compliance and Security.
- Resilience and Recoverability.
- Best in Class User Experience.
- Developing our Care systems.
- Investing in our Digital Future.

During the year we undertook a review of the compliance and security of our systems. We implemented an extensive change programme that put in place new security systems including new firewalls, malware protection and robust data and asset management approaches to ensure we were compliant with the standards expected of an organisation of our scale and purpose.

We additionally invested in cloud based services to ensure we had a robust and fully recoverable approach to data and disaster recovery, implementing and testing several new technologies to this end. We also deployed technology solutions to ensure our staff could work collaboratively whilst working remotely in a technology environment that was both safe and secure. This was critical given the impact of the pandemic and the requirement for remote and virtual working.

We have worked with colleagues in other Hospices to develop and deliver a programme that will see our clinical care systems evolve and merge with core NHS systems, thereby enabling us to work more effectively and in concert with the NHS to provide and manage clinical services.

We have also looked at a future technology roadmap for the Charity that we have called “Digital Futures”.

This will see the evolution of all of our core systems and allow us to better support the communities that support us in their fundraising efforts. It will also help develop our online presence to make what we do more visible and accessible to those who need our services. It will also improve the way we work internally, making us more efficient in our day to day work and interactions with others.

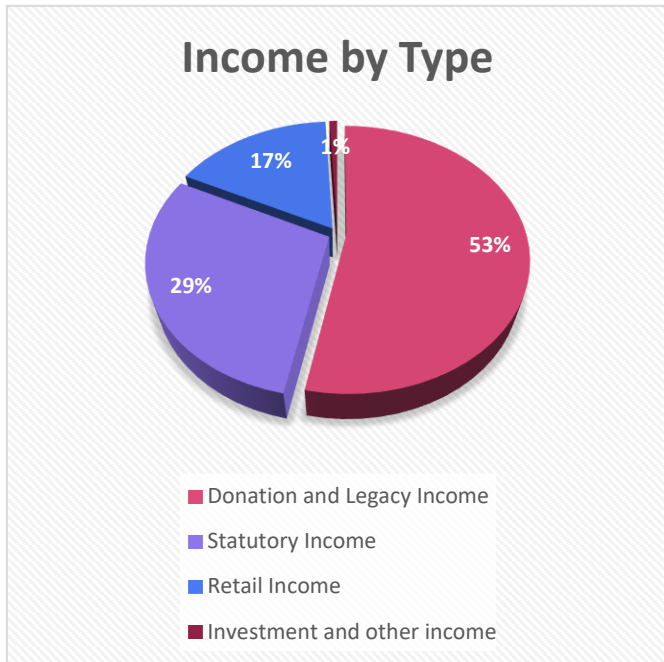
Our Estates team has also designed and delivered a new maintenance and investment schedule to ensure that we are at all times compliant thereby ensuring Hospice services are always available and operating at the highest standards.

Finally we have reviewed and developed our internal governance processes and have invested in a governance system, known as “Sentinel” that will ensure governance is effective, robust, visible and seamless to all.

Financial Review

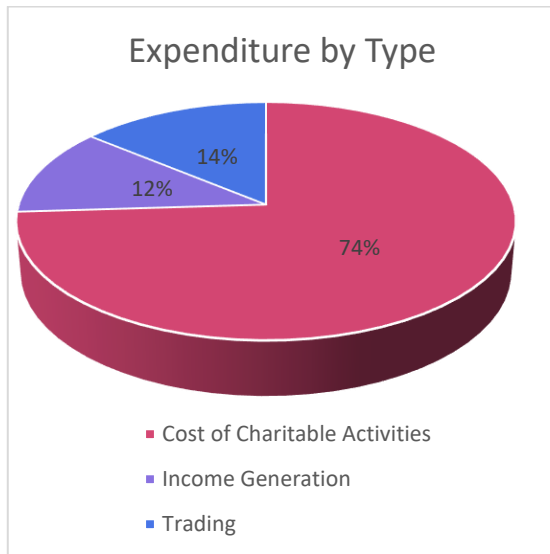
The detailed financial results for the year ended 31 March 2020 are set out in the Financial Statements that accompany this Report and which have been prepared in accordance with the Companies Act 2006 and the Charities SORP (FRS 102).

During the year to 31 March 2020 **income** (in £000's) came from:



	Total Funds 2019/20		Total Funds 2018/19	
	£'000	%	£'000	%
Donation/Legacy Income	8,843	53%	6,614	49%
Statutory Income	4,850	29%	4,296	32%
Retail Income	2,799	17%	2,549	19%
Investment and other income	138	1%	108	0%
Total Income	16,630	100%	13,567	100%

During the year to 31 March 2020, **expenditure** (in £000's) was as follows:



	Total Funds 2019/20		Total Funds 2018/19	
	£'000	%	£'000	%
Cost of Charitable Activities	11,927	74%	10,343	73%
Income Generation	1,925	12%	1,716	12%
Trading	2,259	14%	2,084	15%
Total Resources Expended	16,111	100%	14,143	100%

This resulted in a net income of £519K.

Summary Group Balance Sheet

	2019/20 £'000	2018/19 £'000
Fixed Assets	16,269	16,612
Net Current Assets	4,221	3,451
Non-Current Liabilities	(3,645)	(3,511)
Total	16,845	16,552
Restricted	364	347
Unrestricted	16,481	16,205
Total	16,845	16,552

Fixed Assets (Decrease of £343K)

Fixed assets have decreased by £343K following additions of £303K and depreciation of £646K. Included in the figures for Land and Buildings is a property "Horizon West" located in Fermanagh, which is held for resale.

Net Current Assets (Increase of £770K)

Stocks comprise of consumables and catering materials for the Charity and stock from our retail shops and have increased marginally by £3K on the prior year.

Debtors have increased by £1,086K, or 73%, mainly due to outstanding invoices from Health Trusts and HSCB at year end most of which have been received since balance sheet date.

Cash reduced marginally by £102K to £3,068m reflecting a strong cash position at year-end.

Creditors: Amounts due within one year

Short term creditors have increased by £217K, or 17%, mainly due to additional accruals at year-end for increased spend on cleaning, health, and safety supplies in response to the Covid-19 Pandemic and spend on IT solutions to facilitate employees working from home.

Non- Current Liabilities (Increase of £134K)

The non-current liabilities have increased by £134K due offsetting reasons.

The bank loan balance reduced by £517K due to additional repayments on a loan and this is offset with an increase in the NILGOSC pension scheme liability of £651K.

Reserves Policy

The Board of Trustees recognises the requirement for reserves and aims to have a level of free reserves equivalent to between two and four months' future running costs. At 31 March 2020, Northern Ireland Hospice has free reserves of £733K which is breaching our policy. However, our cash position at year-end 2020 was £3.1m, this covers more than two months of our planned operating expenditure going forward. Our reserve position is heavily impacted by our high asset base which includes specialist hospice properties which the Board have no intention of selling. The Board of Trustees monitors our reserves position and the cash in bank balances on a regular basis to ensure there is no immediate risk to the Northern Ireland Hospice.

Investment Policy

Investments are made in short term bank deposits in conjunction with cash flow requirements for the organisation. These deposits are placed only with reputable institutions. The investment position of the organisation is reviewed by the Finance Sub-Committee on an ongoing basis throughout the year.

Principal Risks and Uncertainties

The Board of Trustees and Corporate Leadership and Management Team, through the corporate governance framework, identify and manage the risks to which the Charity is exposed. Our Board and Corporate Leadership and Management Team have assiduously monitored the activity of the organisation both in terms of service delivery and quality as well as financial reporting. We are satisfied that our continued vision for the people we support to provide comfort and quality of life for our patients, whilst supporting their families and relieving fear and suffering associated with loss. Our work, which is based on the values of the preciousness of life, respect, compassion and medical ability, is very much in evidence from our activities during the financial year.

The Board established our risk appetite. This identifies potential risk events that may affect the Charity and seeks to manage those risks. It also seeks to provide reasonable assurance regarding the achievement of our strategic objectives.

It is the role of Trustees and the Corporate Leadership and Management Team to assess the risk and define our operational objectives, assigning responsibility throughout the organisation to each manager and employee responsible for the appropriate management of risk.

The Corporate Leadership and Management Team are accountable for strategic risk management within areas under their control, including the devolution of the risk management process to operational managers. Senior staff are accountable to the Chief Executive Officer for implementation, annual reporting on the status and ongoing maintenance of the Risk Register, ensuring compliance with risk assessment procedures. The Director of Corporate Services, through the Chief Executive Officer, is responsible for maintaining the Risk Register and for reviewing it annually, including proposing any changes to the Board for approval.

Risk Management is a standing agenda item for all Board meetings. A comprehensive planning process, together with established systems and procedures, enables Trustees to assess and address risks associated with governance, strategy, clinical, health and safety, reputation, finance, operations, other external factors and the future capacity to deliver services. These systems have also enabled the Charity to adjust to serious and significant events such as responding to extraordinary situations including the COVID-19 Pandemic.

Operational Risks

Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems or human factors. Operational risk can manifest itself in various ways including shortages of key skills, clinical incidents, inappropriate behaviour of employees, failure to comply with applicable laws and regulations or failure to perform in line with contractual arrangements. These events could result in financial losses, litigation and regulatory fines as well as other damage to the organisation.

The principal operational risks identified by Northern Ireland Hospice and the mitigating actions are noted below:

Operational Risk	Mitigating Actions
Shortages of key skills in the market for delivery of care	Regular focused engagement with the Department of Health on regional workforce planning and recruitment. 3-year work force planning in development with greater focus on succession planning. Review of roles, skills and competencies ensuring patient safety and care is of a high quality. Significant engagement with key stakeholders to look at different options for roles. Review of recruitment procedures.
Clinical incidents	Policies and procedures are in place to prevent incidents including the management of incidents and implementation of learning. Monthly incident reporting to the Corporate Leadership and Management Team. Bi-monthly reporting of incidents to Board as well as ability to report serious incidents immediately if required. Risk and Dashboards monitored by clinical teams and Governance Committee. We are currently implementing new incident reporting software. Adherence to regulatory requirements (RQIA and Charity Commission).
Health and Safety	Fire Policy and Procedures are in place and updated as necessary. Revised Fire safety procedures updated February 2020. NIFRS inspections. Fire safety adviser appointed. Authorising Engineer for water safety appointed to ensure compliance with regulations. Quarterly testing for Legionella. Pseudomonas and Aseptic sampling performed. Supplier commissioned to provide appropriate servicing and maintenance of medical gases in line with regulations. Lone worker policy and procedures in place.

<p>Reputational damage – for example from adverse media coverage or external report publication</p>	<p>Engagement with external regulatory bodies around service delivery and performance (e.g. NIPSO, RQIA, Fundraising regulator, Charities Commission). We have completed a re-assessment of the governance structures within the Charity to ensure compliance with best practice.</p>
<p>COVID-19 Pandemic</p>	<p>The NIH Board and the Corporate Leadership and Management Team have taken steps to ensure that the risks faced by the COVID-19 Pandemic have been mitigated, as far as possible. These steps have included:</p> <ul style="list-style-type: none"> • Concentrating our services on delivery of palliative care to our beneficiaries. • Closing all retail environments to comply with government advice. • Applying furlough procedures for staff. • Enabling an emergency IT strategy to maximise the number of staff who can work remotely. • Introducing an emergency fundraising appeal, both for financial donations and for equipment, to help maintain services. • Engaging with government to maximise secure 50% funding for our services. • Continually monitoring the impact of the COVID-19 Pandemic on our services, staff, beneficiaries and financial position.

Pension liabilities

The Hospice operates three pension schemes in respect of certain members of staff. The People’s Pension administers the auto-enrolment scheme. The contribution rates for the People’s Pension scheme is 3% for employer contribution and 5% for employees.

The assets of the defined benefit pension schemes are held separately from those of the Northern Ireland Hospice and are administered by NILGOSC and DHSS respectively.

Following a change in legislation in September 2005 there is a potential debt on an employer that could be levied by the Trustees of the Pension Schemes. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme with the assets of the Scheme.

Northern Ireland Hospice understands that no potential employer debt figures, as at 31 March 2020, have been calculated for each employee participating in the DHSS Pension Scheme. Employer contributions to the DHSS scheme are 22.5% and employee contributions range between 5% and 13.5%.

A review of the NILGOSC pension scheme was carried out during 2014. After consulting with NILGOSC and affected staff, and taking professional advice, a decision was taken to close the scheme to new entrants, from August 2014, unless their pay grade was at Band 7 or above. In addition, a commitment was given to settle the net pension liability over the next 13 years, by making additional annual contributions – for 2019/20 this was £80k (2018/19: £79k).

Northern Ireland Hospice makes employer contributions to NILGOSC, which is a funded scheme of the defined-benefit type. NILGOSC is a final-salary contracted out occupational pension scheme. The fund is placed in suitable investments, managed by the Committee. For 2019/20, the contribution rates were 22.1% for employers and ranging between 5.5% and 8.5% for employees. The liability at the end of March 2020 was £2,773k (2019/20: £2,122k).

Going Concern

The main financial risk to the Hospice's ability to continue as a going concern is the financial impact of the COVID-19 Pandemic, particularly in relation to restrictions on fundraising and retail activity, and in the context of statutory funding continuing to fall short of the 50% commitment made by government.

The Pandemic related financial injection by central government has mitigated the impact of this for the first quarter of 2020/21. In addition, an emergency fundraising appeal contributed further funding from the communities who generously support the Charity. We have developed a revised fundraising plan to take account of our new landscape. We have utilised the HMRC Job Retention Scheme and implemented cost mitigation measures.

A review of the organisational strategic plan to assess the likelihood of available resources to enable progress of the strategic objectives has been completed. The Board and Corporate Leadership Team have reprioritised the objectives and ambitions in light of the Pandemic and determined there are sufficient resources to manage any operational or financial risks for the foreseeable future.

During this unprecedented time, where continual uncertainty is unavoidable, the Charity has considered possible strategic scenarios and determined any necessary proactive contingency measures. Against this backdrop, the Board is unaware of any additional material uncertainties related to events or conditions that may cast significant doubt upon the Charity's ability to continue as a going concern.

The Board of Northern Ireland Hospice has therefore approved a Budget for the 2020/21 year that takes account of the impact of the COVID-19 Pandemic, new sources of funding and a revised fundraising plan.

The Board therefore considers there is a reasonable expectation that Northern Ireland Hospice has adequate resources to continue in operational existence. The Board is aware that should circumstances change services levels would have to be revised in line with the income available to the Charity.

Post Balance Sheet Events

The COVID-19 Pandemic is a significant event continuing beyond year-end, which is likely to remain in our society for considerable time.

The Trustees and Corporate Leadership Team have reflected on:-

- the demand for Hospice services;
- the impact on our operating models;
- the financial impact of reduced funding on our service provision;
- the additional funding sources available;
- fundraising models and our ability to adapt to the changed fundraising landscape;
- cost mitigation measures to ensure we are as lean as possible, and

- other Pandemic related considerations in relation to our staff and volunteers have been fully taken into account to ensure the Hospice plays its part in protecting the wellbeing of our staff, volunteers and the community we serve.

In the context of what we currently know and the circumstances that can be predicted the Trustees believe that the COVID-19 Pandemic would not result in an adjustment of the financial statements.

After the year-end Northern Ireland Hospice entered into an agreement to sell a property which is included in the fixed assets of these financial statements as held for sale. However, while the terms of the sale have been agreed, given the sale has not been completed at the date of approving these financial statements, it has not been treated as a sale for the year ended 31 March 2020.

There are no other significant events, which have taken place since the year-end that would result in the adjustment of the financial statements or inclusion of a note therein.

Directors' responsibilities in relation to the financial statements

Company law requires the Board of Trustees ('The Board') to prepare financial statements for each year which give a true and fair view of the state of affairs of the Hospice, and of its profit and loss and cash flows for that year. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles in the Charities SORP;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Hospice will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Hospice and to enable it to confirm that the accounts comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the Hospice and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditor

In so far as, the Trustees are aware at the time of approving our Trustees' Annual Report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take, as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, Finegan Gibson, has indicated its willingness to continue in office, and a resolution that the firm be re-appointed will be proposed at the Annual General Meeting.

Approved by the Board of Trustees on 27 August 2020 and signed on its behalf by:



(Chairperson)

Auditor's Report

OPINION

We have audited the financial statements of the Group and Charitable Company for the year ended 31 March 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position 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 FRS 102. This is the Financial Reporting Standard applicable in the UK.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2020 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out below, 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.

In common with many other businesses of this size and nature we as auditors prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

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 were:

- 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 Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual 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.

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors 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 Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



PAUL DOLAN FCA
(Senior Statutory Auditor)
For and on behalf of
FINEGAN GIBSON LTD
Chartered Accountants & Statutory Auditors
Causeway Tower, 9 James Street South
Belfast BT2 8DN

Date: 27 August 2020

Consolidated Statement of Financial Activities

	Note	Unrestricted Funds 2019/20 £'000	Restricted Funds 2019/20 £'000	Total Funds 2019/20 £'000	Total Funds *Restated 2018/19 £'000
Income from:					
<i>Generated funds</i>					
Donation and Legacy Income	3	8,471	372	8,843	6,614
Retail sale of donated and purchased goods	6	2,799	-	2,799	2,549
Investment income and other income	4	138	-	138	108
<i>Charitable activities</i>					
Statutory and Grant Funding	5	4,850	-	4,850	4,296
Total Income		16,258	372	16,630	13,567
Expenditure on Generating Funds					
Cost of generating voluntary income	7	(1,925)	-	(1,925)	(1,716)
Cost of goods sold and other costs of Trading	7	(2,259)	-	(2,259)	(2,084)
		(4,184)	-	(4,184)	(3,800)
Net income for charitable application		12,074	372	12,446	9,767
Expenditure on Charitable Activities					
Adult Hospice	7	(4,294)	(54)	(4,348)	(3,644)
Adult Community	7	(3,221)	(40)	(3,261)	(2,997)
Children's Service	7	(3,544)	(261)	(3,805)	(3,316)
Education	7	(513)	-	(513)	(386)
		(11,572)	(355)	(11,927)	(10,343)
Total Expenditure		(15,756)	(355)	(16,111)	(14,143)
Net income/(expenditure)		502	17	519	(576)
Other Recognised Gains and Losses					
Write-down value of asset held for resale		-	-	-	(925)
Actuarial (loss)/gain on the market value of the defined benefit scheme's assets and liabilities	19	(226)	-	(226)	480
Net Movement in Funds		276	17	293	(1,021)
Total Funds brought forward		16,205	347	16,552	17,573
Total Funds carried forward		16,481	364	16,845	16,552

*Prior year expenditure restated to re-classify Governance and Loan costs in line with FRS 102

All of the charities activities are continuing. There were no gains or losses other than those shown above. The notes on pages 33-49 form part of these financial statements.

Balance Sheet

	Note	Group 2019/20 £'000	Group 2018/19 £'000	Charity 2019/20 £'000	Charity 2018/19 £'000
Fixed Assets					
Tangible Assets	12	16,269	16,612	15,747	16,131
Investments	13	-	-	300	300
Total		16,269	16,612	16,047	16,431
Current Assets					
Stocks	14	80	77	37	37
Debtors	15	2,575	1,489	3,285	2,179
Cash at bank/in hand	9	3,068	3,170	2,197	2,331
Total Current Assets		5,723	4,736	5,519	4,547
Creditors: Amounts falling due within one year	16	(1,502)	(1,285)	(1,440)	(1,251)
Net Current Assets		4,221	3,451	4,079	3,296
Total Assets less Current Liabilities		20,490	20,063	20,126	19,727
Creditors: Amounts falling due after more than one year	16	(872)	(1,389)	(786)	(1,286)
Net asset/liabilities excluding pension liability		19,618	18,674	19,340	18,441
Defined benefit pensions liability		(2,773)	(2,122)	(2,773)	(2,122)
Net Assets		16,845	16,552	16,567	16,319
Fund Balances					
Restricted Funds	18	364	347	364	347
Unrestricted Funds	18	16,481	16,205	16,203	15,972
Total		16,845	16,552	16,567	16,319

The notes on pages 33 – 49 form part of these financial statements.

Approved by the Board of Trustees on 27 August 2020.



Mr David Clements (Chairperson)

Consolidated Cash Flow Statement

Analysis of Cash and Cash Equivalents	Note	2019/20 £'000	2018/19 £'000
Cash flows from operating activities			
Net Cash used in operating activities	9	966	1,397
Cash flows from investing activities			
Purchase of Property, Plant and Equipment		(272)	(319)
Net cash used in investing activities		(272)	(319)
Cash flows from financing activities			
Repayment of capital on bank loans		(570)	(579)
Other Gains/Losses	19	(226)	(79)
Net cash used in financing activities		(796)	(658)
Change in cash and cash equivalents in the year		(102)	420
Cash and cash equivalents at start of year	9	3,170	2,750
Cash and Cash Equivalents at end of year		3,068	3,170

Notes to the Consolidated Accounts

1. General Information

Northern Ireland Hospice provides specialist palliative care service and support (including but not limited to physical, social, spiritual and psychological support) in Northern Ireland at our in-patient hospice units, hospice outpatient clinics and in the community. The organisation is a company limited by guarantee not having a share capital and has its registered office at 18 O'Neill Road, Newtownabbey, BT36 6WB. The organisation is governed by its Articles of Association and provide for member-based organisations limited by guarantee. Northern Ireland Hospice is a public benefit entity as defined by FRS 102.

2. Accounting policies

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

A) Basis of accounting

These accounts have been prepared under the Historical Cost Convention as modified by the revaluation of fixed asset investments and premises, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements are prepared in pounds sterling.

B) Going concern

The Trustees have reviewed Northern Ireland Hospice's financial position and consequently believe there are sufficient resources to manage any operational or financial risks. During this unprecedented time where continual uncertainty is unavoidable, the Charity has considered the possible strategic scenarios, and determined the necessary proactive contingency measures. Against this backdrop, the Board therefore considers there is a reasonable expectation that Northern Ireland Hospice has adequate resources to continue in operational existence for the foreseeable future and the Board are unaware of any additional material uncertainties related to events or conditions that may cast significant doubt upon the Charity's ability to continue as a going concern.

C) Basis of consolidation

The Hospice also owns the entire issued share capital of Northern Ireland Hospice (Promotions) Limited which ceased activities in November 2001. The Hospice also owns 100% of the issued share capital of Northern Ireland Hospice (Trading) Limited, the results of which have been consolidated with the financial statements of the Charity on the basis of net profit before taxation. No Statement of Financial Activities (SOFA) or Income and Expenditure account for the Charity has been presented as permitted by Section 408 of the Companies Act 2006.

D) Judgements in applying accounting policies and key sources of estimation

The preparation of these financial statements requires directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

- *Legacy Income*
Legacy income requires judgement about the probability of receipt, which affects the timing of income recognition. As at 31 March 2020, the amount accrued for legacy income was £569k.
- *Cost allocation*
Support costs are allocated to charitable activities. Judgement is required in determining and applying the cost drivers appropriate for each support activity.
- *Carrying Value of Debtors*
The company makes an estimate of the carrying value of all debtors, including Gift Aid receivable. The company uses estimates based on historical experience in determining the carrying value of debtors.
- *Actuarial Assumptions*
A qualified independent actuary has valued the defined-benefit pension scheme in accordance with FRS 102. Significant judgement is required in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

E) Income

Income is included in the Statement of Financial Activities when the Charity is entitled to the income, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured with reasonable accuracy. The following specific policies are applied to particular categories of income:

Legacy income is recognised when it is probable that it will be received. Pecuniary legacies are recognised when probate is granted. Residuary legacies are recognised when either probate has been granted, the estate accounts have been approved and any conditions have been fulfilled or if the Charity has received notification from executors of their intention to make a distribution.

Donation income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Gifts in kind are valued at their realised amount, or the amount equivalent to an alternative commercial supply, and are included in the Consolidated SOFA when sold. No amounts are included for services donated by volunteers.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable, and the amount can be measured reliably by the Charity.

Events Income from major events is recognised in the period in which the event takes place. Income received in advance is included in deferred income.

F) Expenditure

All expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the financial statements. Irrecoverable VAT is charged as a cost against the related activity.

Direct costs are those costs incurred specifically on the core services provided by Hospice in accordance with its objects.

Support costs are those costs, which are incurred centrally in support of expenditure on the objects of the Hospice. These costs include administration, finance, human resources, IT, estates and facilities. They are allocated between expenditure on generating funds and charitable activities.

Specific accounting policies are as follows:

- *Fundraising Costs*

These are costs incurred in generating the voluntary income of the Hospice, and as such include the costs of producing advertising and publicity materials, the direct costs of fundraising events and postal appeals as well as salary cost, commercial trading expenditure and an appropriate allocation of support costs.

- *Charitable activities*

The Cost of charitable activities includes the expenditure on activities undertaken to further the purposes of the Charity, and their associated support costs.

- *Governance costs*

These are costs relating to the infrastructure and general running of Hospice as opposed to direct management functions. These costs include audit and professional fees and costs associated with constitutional and statutory requirements. These costs are allocated across the costs of generating funds and charitable activities.

- *Other Expenditure*

Other expenditure represents items not falling under the above headings such as loan interest costs. These costs are allocated across the costs of generating funds and charitable activities.

- *Pension costs*

The Hospice operates three pension schemes (two defined benefit and one defined contribution) in respect of certain members of staff. The assets of the various pension schemes are administered separately from the Hospice's affairs.

For the defined benefit pension schemes, the amounts charged in expenditure are the current service costs, gains, and losses on settlements and curtailments. Past-service costs are recognised immediately in the income and expenditure account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest losses are recognised in the 'Other recognised gains and losses'.

The defined benefit schemes are funded, with the assets of the scheme held separately from those of the Charity, in Trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities.

The actuarial valuations are obtained every three years and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

For the defined contribution scheme, the amount charged to the Consolidated SOFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

- *Leases*

Rental costs payable under operating leases are charged on a straight-line basis over the lease term to the SOFA.

G) Tangible fixed assets and depreciation

Individual fixed assets, usually costing £500 or more with a working life of more than 3 years, are capitalised at cost. Freehold land is not depreciated. Depreciation is calculated to write off the cost of an asset, less its estimated residual value, over its estimated useful economic life, on a straight-line basis as follows:

Property	2% - 4%
IT Equipment	33 1/3%
Furniture and Equipment	20%
Motor Vehicles	25%

Carrying value of land and buildings

The Hospice freehold properties were professionally valued at 31 March 2012, other than the Somerton facility which was valued at 31 March 2018 and Horizon West, which was valued at 31 March 2019. All properties have been included in the Financial Statements on a depreciated replacement cost basis with the exception of our Fermanagh property "Horizon West". This property is on the market and due to this was restated on our balance sheet in the 2018/19 year as property held for sale. Horizon West is included with Land and Buildings on the fixed asset note.

H) Investments

Where investment properties are held, these will be professionally valued at the Balance Sheet date on an open market value basis. Impairment will be considered on an annual basis, with the resulting surplus or deficit arising being reflected in the Consolidated Statement of Financial Activities.

I) Stocks

Stocks of bought in goods are stated at the lower of cost and net realisable value. As it is not practical to value items donated for resale on receipt because of the volume of low value items, they are not recognised in the financial statements until they are sold.

J) Debtors

Trade and other debtors are recognised at the settlement amount due after any discount is offered. Prepayments are valued at the amount prepaid net of any discounts due. Debtors are recognised where there is reasonable certainty as to the timing and amount of monies due and recoverability.

K) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

L) Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable. Basic financial instruments are recorded at transaction price.

M) Creditors and provisions

Trade Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. This will also include monies due to banks or other financial institutions, for temporary overdraft facilities or bridging finance obtained where it is expected repayment will be made within twelve months.

N) Employee Benefits accrual

A liability is recognised to the extent of any unused holiday pay entitlement, which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement and accrued at the Balance Sheet date.

O) Fund Accounting

The Charity maintains three types of funds as follows:

Restricted funds

Restricted funds are those funds, which are subject to specific donor-imposed conditions. Expenditure, which falls within the criteria laid down by the donor, is identified with the fund, together with a fair allocation of support costs. Restricted funds may be income or capital funds. Funds received for specific core services are treated as restricted funds at the year-end to the extent that they have not been utilised by related expenditure.

Unrestricted funds

Unrestricted funds are donations and other income received or generated for the objects of the Hospice without further specific purpose and are available as general funds.

Designated funds

Designated funds are funds, which have been set aside by the Board for specific purposes. All movements on these funds have been disclosed in the Statement of Financial Activities and related notes. They are unrestricted funds and the designations do not legally restrict the Board's discretion to apply such funds, as it deems appropriate in accordance with the Hospice's constitution.

3. Donation and Legacy Income

	2019/20 £'000	2018/19 £'000
Donation Income	4,871	4,891
Legacies	3,972	1,723
Total	8,843	6,614

Legacy income has been accounted for in accordance with FRS 102. Legacy income has been accrued when receipt is probable, the Hospice is entitled to it and the amount can be accurately measured. The amount of accrued income for legacies for the year was £569K (2018/19: £848K).

Donations include £244K received by Northern Ireland Hospice (Trading) Limited, where donors have gift aided their donations, and this has been accounted for in the books of Northern Ireland Hospice (2018/19: £422K).

4. Investment Income

	2019/20 £'000	2018/19 £'000
Investment and other income		
Investment income	3	5
Education income	115	81
Other income	20	22
Total	138	108

5. Statutory Funding

Restricted Grant Income falls within our donation income category.

	2019/20 £'000	2018/19 £'000
HSCB	3,984	3,363
SEHSCT	15	86
NHSCT	538	525
WHSCT	170	155
BHSCT	24	-
DHSS & PS	100	155
Medical SUMDE	16	12
NI Social Care Council	3	-
Total Statutory Income	4,850	4,296
Total Restricted Grant Income	-	-
Total Statutory and Grant Income	4,850	4,296

6. Trading activities

The Hospice owns the entire issued share capital of Northern Ireland Hospice (Trading) Limited, the results of which are summarised below:

	2019/20 £'000	2018/19 £'000
Turnover	2,799	2,549
Cost of sales	(118)	(107)
Salary costs	(1,219)	(1,119)
Other costs	(922)	(858)
Total Costs	(2,259)	(2,084)
Profit before taxation, net interest covenanted donations	540	465
Taxation		
Covenanted donations	(495)	(430)
Net profit for the year	45	35

The assets and liabilities of the subsidiaries were:

	2019/20 £'000	2018/19 £'000
Fixed assets	522	481
Current assets	957	938
Current liabilities	(815)	(783)
Non-current liabilities	(87)	(103)
Total net assets	577	533
Aggregate share capital and reserves	577	533

The principal activity of Northern Ireland Hospice (Trading) Limited is the sale of donated goods and giftware.

Covenanted donations, which are qualifying charitable donations under the company Gift Aid rules, of £495K (2018/19: £430K) were made from Northern Ireland Hospice (Trading) Limited to Northern Ireland Hospice during the year.

The Hospice also owns the entire issued share capital of Northern Ireland Hospice (Promotions) Limited which ceased activities in November 2001.

Donations of £244K (2018/19: £422K) received by Northern Ireland Hospice (Trading) Limited, where donors have gift aided their donations, have been accounted for in the books of Northern Ireland Hospice.

7. Expenditure

	Direct Costs	Support Costs	Total Total Cost	Total Total Cost
	2019/20	2019/20	Costs *Restated	2018/19
	£'000	£'000	£'000	£'000
Adult Hospice	2,680	1,668	4,348	3,644
Adult Community	2,491	770	3,261	2,997
Children's Service	2,559	1,246	3,805	3,316
Education	336	177	513	386
Fundraising	1,412	513	1,925	1,716
Retail Shops	2,162	97	2,259	2,084
Total	11,640	4,471	16,111	14,143

*Prior year expenditure restated to re-classify Governance and Loan costs in line with FRS 102

Support Costs are analysed as follows:

	Adult Hospice	Adult Community	Children's Services	Education	Fundraising	Retail shops	Total 2019/20	Total 2018/19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Services	265	265	281	50	173	28	1,062	777
Depreciation	300	56	153	19	38	-	566	602
Facilities	507	98	313	44	97	2	1,061	821
People related	596	351	499	64	205	67	1,782	1,184
Total	1,668	770	1,246	177	513	97	4,471	3,384

8. Net incoming resources

Net income is stated after charging	Group 2019/20	Group 2018/19	Charity 2019/20	Charity 2018/19
	£'000	£'000	£'000	£'000
Staff pension contributions	1,252	947	1,178	885
Operating lease rentals	41	43	41	43
Depreciation of tangible fixed assets	646	668	570	578
Audit of the financial statements	25	21	17	15

9. Reconciliation of net expenditure to net cash flow from operating activities

	2019/20 £'000	2018/19 £'000
Net expenditure for the year	519	(576)
Depreciation	646	668
(Increase) in stock	(3)	-
(Increase)/decrease in debtors	(1,086)	1,081
Increase/(decrease) in creditors	239	(75)
Movement in pension scheme deficit	651	299
Net cash provided by operating activities	966	1,397

Analysis of Cash and Cash Equivalents	01/04/2019 Change in 31/03/2020		£'000
	£'000	Year	
Cash in hand	3,170	102	3,068
Investments	-	-	-
Net Funds	3,170	102	3,068

10. Operating lease commitments – Group and Charity

The Hospice is committed to making the following payments, in respect of operating leases:

	2019/20 £'000	2018/19 £'000 *Restated
Payments within the next year	41	42
Payments within the next 2 to 5 years	44	84
Payments after 5 years	-	-

*Prior year figures have been restated to correctly reflect the commitments due at 31 March 2019.

11. Employees

The average staff numbers employed during the year were:	2019/20 Number	2018/19 Number
Clinical Care	251	247
Income Generation	33	31
Support services – corporate, education, volunteer and estates	42	37
Employed by trading companies	67	63
Total	393	378

Aggregate salary costs of the Charity were as follows:	2019/20 £'000	2018/19 £'000
Salaries and wages	7,709	7,052
Social security costs	686	616
Pension – DHSS	679	469
Pension – NILGOSC	441	381
Pension – People's Pension	58	35
Total	9,573	8,553

The Charity Trustees received no remuneration or expenses during the year.

The number of higher paid employees was::	2019/20 Number	2018/19 Number
Taxable emoluments band:		
£60K – £70K	2	4
£70K - £80K	1	1
£80K - £90K	2	2

The above figures include medical staff who are remunerated in line with National Consultant terms and conditions. The Chief Executive Officer's salary is within the £80K to £90K band.

The total remuneration for key management personnel was £385,212. The Board of Trustees Remuneration Sub-Committee decides upon the salary remuneration made to the Chief Executive Officer and the three Directors. The Committee considers a number of matters in arriving at its decisions, including performance and benchmarks with senior management and leadership remuneration paid in other health care charities and sectors. One statutory redundancy payment was made during the year totalling £50K.

12. Fixed Assets

	Land and Buildings £'000	Furniture and Equipment £'000	IT Equipment £'000	Motor Vehicles £'000	Total £'000
Group					
As at 1 April 2019	18,385	3,065	892	69	22,411
Additions	102	146	55	-	303
Disposals	-	-	-	-	-
As at 31 March 2020	18,487	3,211	947	69	22,714
Accumulated depreciation:					
As at 1 April 2019	2,264	2,643	830	62	5,799
Charge for year	385	219	39	3	646
Eliminated on disposal	-	-	-	-	-
As at 31 March 2020	2,649	2,862	869	65	6,445
Net Book Value:					
As at 31 March 2020	15,838	349	78	4	16,269
As at 31 March 2019	16,121	422	62	7	16,612
Charity:					
As at 1 April 2019	17,216	2,576	892	13	20,697
Additions	36	95	55	-	186
Disposals	-	-	-	-	-
As at 31 March 2020	17,252	2,671	947	13	20,883
Accumulated depreciation:					
As at 1 April 2019	1,532	2,191	830	13	4,566
Charge for year	332	199	39	-	570
Eliminated on disposal	-	-	-	-	-
As at 31 March 2020	1,864	2,390	869	13	5,136
Net Book Value:					
As at 31 March 2020	15,388	281	78	-	15,747
As at 31 March 2019	15,684	385	62	-	16,131

The balance sheet value of land and buildings comprises:

	Group 19/20 £'000	Group 2018/19 £'000	Charity 2019/20 £'000	Charity 2018/19 £'000
Freehold	15,600	15,905	15,386	15,679
Short leasehold	238	216	2	5
Total	15,838	16,121	15,388	15,684

The Hospice freehold properties were professionally valued at 31 March 2012 by Saville (NI) Limited, other than the Somerton facility which was valued at 31 March 2018 and Horizon West, which was valued at 31 March 2019. The title deeds to the Hospice's premises at 74 Somerton Road Belfast are held by way of a registered mortgage as security for the loan and overdraft facilities.

Included in Land and Buildings is land valued at £1,758K. This land is being carried at open market value and is not subject to depreciation. Also included in land and buildings is the Horizon West property in Enniskillen which is held for resale.

13. Investments

	Group 2019/20 £'000	Group 2018/19 £'000	Charity 2019/20 £'000	Charity 2018/19 £'000
Investment in Subsidiary Companies	-	-	300	300
Total	-	-	300	300

The Charity owns 300,000 ordinary shares of £1 each, being the whole of the issued ordinary share capital of Northern Ireland Hospice (Trading) Limited, a company registered in Northern Ireland. The subsidiary is used for non-primary purpose trading activities.

It also owns 2 ordinary shares of £1 each being the whole of the issued ordinary share capital of Northern Ireland Hospice (Promotions) Limited, a company registered in Northern Ireland. This company has been dormant since November 2001.

14. Stock

	Group 2019/20 £'000	Group 2018/19 £'000	Charity 2019/20 £'000	Charity 2018/19 £'000
Stock	80	77	37	37
Total	80	77	37	37

15. Debtors

	Group 2019/20 £'000	Group 2018/19 £'000	Charity 2019/20 £'000	Charity 2018/19 £'000
Income tax recoverable	171	79	171	79
Value added tax recoverable	374	159	359	138
Other debtors	1,970	1,175	1,970	1,175
Prepayments and accrued income	60	76	32	39
Due from subsidiary companies	-	-	753	748
Total	2,575	1,489	3,285	2,179

Other debtors include £569K (2018/9: £848K) of accrued income for legacies.

16. Liabilities

	Group 2019/20 £'000	Group 2018/19 £'000	Charity 2019/20 £'000	Charity 2018/19 £'000
Amounts falling due within one year				
Trade creditors	129	225	107	220
Other creditors and accruals	1,066	715	1,046	706
Taxation and social security	187	172	186	172
Bank Loan	120	173	101	153
Total Current Liabilities	1,502	1,285	1,440	1,251

Amounts falling due after more than one year

Bank Loan	872	1,389	786	1,286
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17. Analysis of net assets between funds

	Unrestricted Undesignated Funds £'000	Unrestricted Designated Funds £'000	Total Unrestricted Funds £'000	Total Restricted Funds £'000	Total Funds £'000
Tangible Fixed Assets	15,747	522	16,269	-	16,269
Cash	2,181	572	2,753	315	3,068
Other Current Assets	2,520	86	2,606	49	2,655
Current Liabilities	(687)	(815)	(1,502)	-	(1,502)
Loans	(785)	(87)	(872)	-	(872)
Pension Liability	(2,773)	-	(2,773)	-	(2,773)
Total Fund Balances at 31 March 2020	16,203	278	16,481	364	16,845

18. Fund Balances

	Opening Balance £'000	Income (incl Gains) £'000	Expenditure (incl Losses) £'000	Transfers £'000	Closing Balance £'000
Restricted funds					
Restricted Grant Funds	347	372	(355)	-	364
Total Restricted Funds	347	372	(355)	-	364
Unrestricted funds					
<i>Non-designated unrestricted funds:</i>					
General Fund	15,972	13,954	(13,723)	-	16,203
Charity	15,972	13,954	(13,723)	-	16,203
<i>Designated unrestricted funds:</i>					
Retained by subsidiary company	233	2,799	(2,754)	-	278
Total Unrestricted	16,205	16,753	(16,477)	-	16,481
Consolidated funds	16,552	17,125	(16,832)	-	16,845

19. Pension Scheme

The Hospice operates three pension schemes in respect of certain members of staff. The People's Pension administers the auto-enrolment scheme. The contribution rates for the Peoples pension scheme is 3% for employer contribution and 5% for employees.

The assets of the defined benefit pension schemes are held separately from those of the Northern Ireland Hospice and are administered by NILGOSC and DHSS respectively. Following a change in legislation in September 2005 there is a potential debt on an employer that could be levied by the Trustees of the Pension Schemes. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme with the assets of the Scheme.

Northern Ireland Hospice understands that no potential employer debt figures, as at 31 March 2020, have been calculated for each employee participating in the DHSS Pension Scheme. Employer contributions to the DHSS scheme are 22.5% and employee contributions range between 5% and 13.5%.

A review of the NILGOSC pension scheme was carried out during 2014. After consulting with NILGOSC and affected staff, and taking professional advice, a decision was taken to close the scheme to new entrants, from August 2014, unless their pay grade was at Band 7 or above. In addition, a commitment was given to settle the net pension liability over the next 13 years, by making additional annual contributions – for 2019/20 this was £80K (2018/19: £79K).

Northern Ireland Hospice makes employer contributions to NILGOSC, which is a funded scheme of the defined-benefit type. NILGOSC is a final-salary contracted out occupational pension scheme. The fund is invested in suitable investments, managed by the Committee. For 2019/20, the contribution rates were 22.1% for employers and ranging between 5.5% and 8.5% for employees. The liability at the end of March 2020 was £2,773K (2019/20: £2,122K).

Key Assumptions	31 Mar 2020 % per annum	31 Mar 2019 % per annum
Discount rate	2.30%	2.50%
CPI Inflation	2.00%	2.10%
Pension increases	2.00%	2.10%
Pension accounts revaluation rate	2.00%	2.10%
Salary increases	3.50%	3.60%

The mortality assumptions at the accounting date are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 Actuarial Valuation, and allow for expected future mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions is shown below:

Mortality Assumption	31 Mar 2020	31 Mar 2019
Males		
Pensioner Member aged 65 at accounting date	21.8	22.6
Active member aged 45 at accounting date	23.2	24.3
Females		
Pensioner Member aged 65 at accounting date	25.0	24.9
Active member aged 45 at accounting date	26.4	26.7

Asset Allocation	Value at 31 Mar 2020	Value at 31 Mar 2019
Equities	42.6%	59.5%
Property	10.0%	11.2%
Government Bonds	26.1%	16.5%
Corporate Bonds	12.6%	7.0%
Cash	4.7%	2.7%
Other	4.0%	3.1%
Total	100%	100%

Reconciliation of funded status to Balance Sheet	Value at 31 Mar 2020 £'000	Value at 31 Mar 2019 £'000
Fair value of assets	11,991	11,681
Present value of funded defined benefit obligation	(14,764)	(13,803)
Funded Status	(2,773)	(2,122)
Asset/(liability) recognised on the Balance Sheet	(2,773)	(2,122)

Amount recognised in SOFA	Year Ended 31 Mar 2020 £'000	Year Ended 31 Mar 2019 £'000
Operating Cost		
Current Service cost	861	628
Past service cost	116	-
Financing Cost		
Interest on net defined benefit Liability/(asset)	45	57
Pension expense recognised in the SOFA	1,022	685

Allowance for administration expenses included in Current Service Costs £0.011m.

Amounts recognised in other recognised gains and losses	Year Ended 31 Mar 2020 £'000	Year Ended 31 Mar 2019 £'000
Asset (losses)/gains arising during the period	(504)	493
Liability gains/(losses) arising during the period	278	(13)
Total amount recognised in other recognised gains and losses	(226)	480

Changes to the present value of the defined benefit obligation	Year Ended 31 Mar 2020 £'000	Year Ended 31 Mar 2019 £'000
Opening defined benefit obligation	13,803	12,900
Current service cost	861	628
Interest expense on defined benefit obligation	344	335
Contributions by participants	146	129
Actuarial (gains)/losses on liabilities	(278)	13
Net benefits paid out	(228)	(202)
Past service cost	116	-
Curtailment cost	-	-
Net increase in liabilities from disposals/acquisitions	-	-
Settlements	-	-
Closing defined benefit obligation	14,764	13,803

Changes to the fair value of assets	Year Ended 31 Mar 2020 £'000	Year Ended 31 Mar 2019 £'000
Opening fair value of assets	11,681	10,479
Interest income on assets	299	278
Re-measurement gains/(losses) on assets	(504)	493
Contributions by the employer	597	504
Contributions by participants	146	129
Net benefits paid out	(228)	(202)
Net increase in assets from disposals/acquisitions	-	-
Settlements	-	-
Closing fair value of assets	11,991	11,681

Actual return on assets	Year Ended 31 Mar 2020 £'000	Year Ended 31 Mar 2019 £'000
Interest income on assets	299	278
Gain/(loss) on assets	(504)	493
Actual return on assets	(205)	771

Estimated pension expense in future periods.

Analysis of amounts charged to SOFA	Year Ended 31 Mar 2021 £'000	Year Ended 31 Mar 2022 £'000
Current service cost	880	911
Interest on net defined benefit liability	57	65
Total estimated pension expense	937	976

20. Contingent Asset

At the year-end Northern Ireland Hospice was aware of a small number of estates in which it was named as a beneficiary. Some of these have not been quantified as the values of the estates are subject to a number of potentially substantial variables. These variables include taxation, the rise and fall in stock market prices and a depressed housing market resulting in low selling prices and properties remaining unsold for long periods of time, as well as prospective litigation, which could affect the monies due to Hospice. These legacies have not been recognised as income in the year ended 31 March 2020 because no notification of impending distribution or approval of estate accounts has been received and the values are uncertain. An Insurance claim has been made to cover the loss of trading revenue during March following the COVID-19 Pandemic.

21. Contingent Liabilities

A contingent liability exists to repay grants received should certain conditions not be fulfilled by the Charity. In the opinion of the Trustees the terms of the Letters of Offer have been, or will be, complied with and no liability is expected.

A Deed of Priorities has been signed by Northern Ireland Hospice, Belfast Health and Social Care Trust and Danske Bank to take account of this, and the security held by the Bank over the whole of Somerton House and surrounding property.

22. Related Party Transactions

As noted in the strategic report, The Northern Ireland Hospice owns the entire issued share capital of Northern Ireland Hospice (Trading) limited. The principal activity of the Northern Ireland Hospice (Trading) Limited is the sale of donated goods and giftware. It operates a network of 25 retail shops in the local area and generates income for Hospice services.

The trading company donates qualifying charitable donations (covenanted donations) to the Northern Ireland Hospice under the company Gift Aid rules. In addition, gift aided donations made to the trading company are accounted for in the books of the Northern Ireland Hospice. For ease of operations, each company process income and expenditure (receipts and payments) on behalf of the related party as necessary. All transactions with related parties are conducted on an arm's length basis.

The company had the following related party transactions with the Northern Ireland Hospice Trading Limited during the year.

Related Party Transactions	Charity 2019/20 £'000
Opening Balance	(748)
Bank Transfers	1,135
Covenanted Donation from NIH Trading Limited 2019/20 paid	430
Profits from Northern NIH Trading limited	221
Income received by NIH on behalf of NIH Trading Limited	107
Income received by NIH Trading on behalf of NIH	(31)
Salaries Expenditure by NIH on behalf of NIH Trading Limited	(1,257)
Payments by NIH on behalf of NIH Trading Limited	(60)
Payments by NIH Trading Limited on behalf of NIH	23
Gift Aid Sales balance movement	19
Management Charge from NIH to NIH Trading Limited	(97)
Covenanted Donation from NIH Trading Limited 2020/21 due	(495)
Closing Balance	<u>753</u>

23. Legal Status of the Charity

The Northern Ireland Hospice is a registered charity and a company limited by guarantee. Each of the members of the company has guaranteed to contribute to the assets of the company, in the event of the same being wound up, to the extent of £5.

24. Corporation Taxation

The Charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.