Hospice accounts
Analysis of the accounts of UK charitable hospices for the year ended 31 March 2017
Prepared in 2018 by Hospice UK

Supported by
haysmacintyre
chartered accountants & tax advisers
Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Definitions and scope of report</td>
<td>2</td>
</tr>
<tr>
<td>Overall summary</td>
<td>4</td>
</tr>
<tr>
<td>Hospice sizes 2017</td>
<td>6</td>
</tr>
<tr>
<td>Income</td>
<td>7</td>
</tr>
<tr>
<td>Government funding</td>
<td>9</td>
</tr>
<tr>
<td>England</td>
<td>11</td>
</tr>
<tr>
<td>Wales</td>
<td>13</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>14</td>
</tr>
<tr>
<td>Scotland</td>
<td>15</td>
</tr>
<tr>
<td>Children’s hospices – all nations</td>
<td>16</td>
</tr>
<tr>
<td>Expenditure</td>
<td>17</td>
</tr>
<tr>
<td>Cost of generating funds</td>
<td>18</td>
</tr>
<tr>
<td>Shops</td>
<td>19</td>
</tr>
<tr>
<td>Lotteries</td>
<td>20</td>
</tr>
<tr>
<td>Staff costs</td>
<td>21</td>
</tr>
<tr>
<td>Available reserves</td>
<td>24</td>
</tr>
<tr>
<td>Deficits and falling reserves</td>
<td>27</td>
</tr>
<tr>
<td>Cash</td>
<td>28</td>
</tr>
<tr>
<td>Return on investments</td>
<td>30</td>
</tr>
<tr>
<td>Audit fees</td>
<td>32</td>
</tr>
</tbody>
</table>

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Introduction

haysmacintyre is pleased to partner with Hospice UK for the fourth year in producing the Hospice Accounts Report. This year’s report uses information taken from the statutory accounts of 194 independent charitable hospices in the UK, plus two national charities, Marie Curie and Sue Ryder. It shows a sector with total income of £1.4 billion per year, which employs almost 40,000 staff in the UK, is supported by many thousands of volunteers, and provides care for over 200,000 people and their families.

As well as volunteering time, the hospice sector relies on local support for 72% of its income. This support comes from community fundraising, donations, legacies, corporate supporters and trading activities. Legacies are a vital source of income for many hospices and make up, on average, 19% of income for independent adults’ and children’s hospices. Legacy income varies and can be difficult to predict and budget for, and this year we have seen a fall in the real value of legacies of 9%, which has meant an overall fall in income of £17 million.

As we have seen in past reports, government funding of hospices continues to differ greatly by area and by individual organisation. For the first time this year we have included in this report, details of government funding by region in England. Although in England the government funded an average of 33% of hospice expenditure, for one region this was as low as 18% and there is wide variation across the country.

There also continues to be a significant difference between government funding levels for adults’ and children’s hospices across the UK. The government funded on average 33% of the expenditure incurred by adults’ hospices in the UK, and 15% of the expenditure incurred by children’s hospices.

We hope that you find this year’s report useful to inform debate and to help local hospice staff and trustee boards to benchmark their own hospice figures against similar organisations. Please get in touch if you have questions about the report or any suggestions for further analysis to include in future publications.

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haysmacintyre’s award winning Charities team is one of the largest in the country and we are auditor to more of the top 5,000 charities than any other UK Accountancy firm. We support and advise many local hospices and we have wide experience of their businesses and the risks and challenges that they face. We are very proud to have been ranked for 10 years in the top five for “Charity Expertise” in the Charity Finance audit survey. We were awarded Audit Team of the Year at the British Accountancy Awards 2017.
Definitions and scope of report

This report brings together the accounts of charitable hospices in the UK. These hospices are primarily local charities that are governed by voluntary trustees.

The purpose of the report is to:

• demonstrate the size and operation of hospice care in the UK
• identify and highlight changes over time in the overall operation of these hospices
• identify differences between the various sizes of hospice
• provide hospices with critical figures and benchmarks against which to compare their own accounts.

Scope

This report is based upon the audited accounts of 194 charitable hospices for the financial year ending any time between 1 April 2016 and 31 March 2017. For the majority of hospices, this means the accounts for the year ended 31 March 2017.

Figure 1 on page 4 also includes the income and expenditure of two large national hospice charities – Marie Curie and Sue Ryder. Because these two charities are very different in scale to the other charities, their results have been excluded from all the other graphs. When a graph in the report refers to independent hospices, this means the results of Marie Curie and Sue Ryder are excluded from those figures.

Preparation

The figures are drawn from the Statement of Financial Activities (SOFA), Balance Sheet and Notes included in published, audited financial statements. As far as possible, we have taken information at face value, but we have had to interpret data in some cases where clear information was not given. Where data was not provided in published accounts, we have had to omit it from our calculations.

There are changes in the number of hospices submitting accounts each year; where appropriate, figures from previous years have been amended to ensure like for like comparisons.

Children’s and joint services

In some analysis, we have split the figures for children’s and adults’ hospices. This has been done where there are significantly different results in the accounts of children’s hospices. In total, there are 25 standalone children’s hospices included in this report. There are also 13 joint hospices, serving both adults and children. It has not been possible to split the accounts of the joint hospices into their two components, so they have been included as adults’ hospices, as this part of their services accounts for a majority of their income and expenditure. Such hospices are treated as a single entity for the purpose of this report, as are hospices that are run by one charity but based in more than one location.
Definitions used in this report

• In the published accounts of a hospice, trading income and expenditure are respectively included in gross income and gross expenditure. In some figures in this report, we have excluded trading income and expenditure from both these figures and included trading profit within gross income. Whether trading income and expenditure has been included in the analysis is stated above each relevant figure. This makes no difference to the surplus or deficit, but serves to make for better comparisons. Income includes money raised for capital projects, but expenditure excludes capital payments such as building costs.

• Fundraised income includes donations and legacies, grants from charitable trusts, shops, lotteries and other fundraising activities. It also includes money given for capital projects.

• Unrestricted reserves include designated funds.

• Available reserves are taken to mean unrestricted reserves less unrestricted tangible fixed assets.

• Tangible assets are made up of the cost price of the building (or valuation if the hospice has revalued the building in their statutory accounts) and equipment less depreciation.

• Investment gains/losses include both realised and unrealised changes in the value of investments.

• Other gains/losses represent gains and losses on defined benefit pensions schemes and the revaluation of properties.
## Overall summary

**Figure 1 – Key figures (including activities of national charities relating to hospice care)**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£million</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraised income including income from shops, lotteries and trading</td>
<td>1,028</td>
<td>1,010</td>
<td>965</td>
<td>910</td>
</tr>
<tr>
<td>Government income</td>
<td>350</td>
<td>337</td>
<td>321</td>
<td>341</td>
</tr>
<tr>
<td>Investment income</td>
<td>23</td>
<td>22</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Other income</td>
<td>32</td>
<td>26</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>1,433</td>
<td>1,395</td>
<td>1,332</td>
<td>1,296</td>
</tr>
<tr>
<td>Charity expenditure</td>
<td>954</td>
<td>910</td>
<td>866</td>
<td>831</td>
</tr>
<tr>
<td>Cost of raising funds including cost of shops, lotteries and trading</td>
<td>476</td>
<td>456</td>
<td>429</td>
<td>396</td>
</tr>
<tr>
<td><strong>Total expenditure including retail</strong></td>
<td>1,430</td>
<td>1,366</td>
<td>1,295</td>
<td>1,228</td>
</tr>
<tr>
<td><strong>Surplus/(deficit)</strong></td>
<td>3</td>
<td>29</td>
<td>37</td>
<td>68</td>
</tr>
<tr>
<td>Total investment gains/(losses) and other movement</td>
<td>74</td>
<td>(4)</td>
<td>37</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total movement in funds</strong></td>
<td>77</td>
<td>25</td>
<td>74</td>
<td>93</td>
</tr>
</tbody>
</table>
Figure 1 shows the total size of the charitable hospice movement in the UK, including the amounts relating to hospice care from two national charities – Marie Curie and Sue Ryder. The figures would be even greater if the value of the substantial role of unpaid volunteers were included.

Total income for charitable hospices increased by 2.7% compared to the previous year. Most of that income comes from various forms of charitable donations, with fundraised income for UK hospices exceeding £1 billion per year.

Government funding for hospices now stands at just under £350 million per year, but this still only represents a small proportion of the funds needed to provide hospice care to those with end of life care needs.

Expenditure increased by over 4% compared to the previous year, and is growing at a faster rate than income. Expenditure now stands at £1.4 billion, of which £954 million is spent on charitable activities (i.e. care).

In 2017, the hospice sector overall generated a surplus on their core activities of £3 million before accounting for investment gains, and £77 million after accounting for investment gains. These surpluses allow hospices to expand their services and fund new buildings (such investments would be shown as capital spend and therefore are not included in the expenditure figures on the previous page).
Hospice sizes 2017

Throughout this report, hospices are grouped by size of expenditure. Different sized hospices have different trends so it often proves more useful to compare hospices of the same size, rather than those in the same region or similar locations. The bandings are based on 2017 total expenditure, which means that some hospices will have moved between bands since the last report.

**Figure 2 – Proportion of hospices in each expenditure band and the proportion of expenditure attributable to hospices in each expenditure band (including shops, lotteries and other trading expenditure)**

<table>
<thead>
<tr>
<th>Expenditure Band</th>
<th>% of total number of UK hospices</th>
<th>% of total hospice sector expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under £2M</td>
<td>30%</td>
<td>100%</td>
</tr>
<tr>
<td>Over £2M, Under £5M</td>
<td>17%</td>
<td>47%</td>
</tr>
<tr>
<td>Over £5M, Under £8M</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Over £8M</td>
<td>54%</td>
<td>4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average total expenditure</th>
<th>Under £2M</th>
<th>Over £2M, Under £5M</th>
<th>Over £5M, Under £8M</th>
<th>Over £8M</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Average total expenditure</td>
<td>1,037</td>
<td>3,631</td>
<td>6,404</td>
<td>11,216</td>
</tr>
</tbody>
</table>

**Key findings**

- Average total expenditure (including trading expenditure) per hospice in each size band is shown above.
- The size of hospices varies throughout the UK, from St Christopher’s Hospice with £21 million expenditure to those hospices with an annual expenditure under £1 million. Our smallest hospice has annual expenditure of just under £180k.
Total income in 2017, including profits from trading activities (as opposed to gross income from trading activities which is shown in figure 1), for independent hospices was £1,176 million.

Figure 3 – Income type as a percentage of total income (comparison of adults’ and children’s hospices)

Key findings

- Children’s hospices are funded very differently from adults’ hospices, with far greater reliance on donations and fundraising (which contribute over 50% of their total income) and less government funding.

- Government funding as a percentage of total income for children’s hospices is much lower than for adults’ hospices at 15% on average compared to 32% for adults.

- Historically children’s hospices received much less funding than adults’ hospices from legacies, but in recent years the amounts have become much more comparable.

- In total, legacy income to the independent hospice sector for the year ended 31 March 2017 was £17 million (9%) lower than in the previous year. Given the significance of legacy income to most hospices, if this represents the start of a trend rather than a blip, it would have a significant impact on hospice finances.

- Adults’ hospices appear to have more developed and profitable trading operations than children’s hospices.
The graph below shows the difference in types of funding for adults’ hospices of different sizes, including profits from trading activities.

**Figure 4 – Income type as a percentage of total income (comparison by size of adults’ hospices)**

**Key findings**

- Government funding comprises a much smaller proportion of total income for the smallest hospices than it does for other hospices.

- In contrast, donations from the public are a far more significant source of income for the smallest hospices. This suggests that smaller hospices are most vulnerable to any changes in charitable giving by the public.

- Overall government income is stable as a percentage of total income, although this is not true for each individual hospice. The position is made more unstable by the renegotiation of government income year on year.
Government funding

Hospices in different nations are funded differently, as are hospices for children and hospices for adults.

In analysing government funding, we have split hospices by nation as well as into adults’ and children’s hospices. We have excluded the cost of trading activities from expenditure.

Figure 5 – Government funding as a percentage of expenditure by nation (adults’ hospices comparison by year)
The graph below shows government funding as a percentage of expenditure for all independent adults’ hospices, with each line representing a different hospice. Expenditure on shops and lotteries is excluded from the calculations.

**Figure 6 – Government funding as a percentage of expenditure (adults’ hospices)**

<table>
<thead>
<tr>
<th>100%</th>
<th>90%</th>
<th>80%</th>
<th>70%</th>
<th>60%</th>
<th>50%</th>
<th>40%</th>
<th>30%</th>
<th>20%</th>
<th>10%</th>
<th>0%</th>
</tr>
</thead>
</table>

**Key findings**

- In total, the government funded 33% of the expenditure incurred by adults’ hospices in the UK, although the amount received by each hospice varies significantly.

- Several hospices received less than 20% funding from government sources while at the other extreme 16 received more than 50% funding.

- There is no obvious cluster of results around the average, showing the inequitable funding for hospices throughout the country.
**Government funding – England**

**Figure 7 – Government funding as a percentage of expenditure in England (comparison by size of adults’ hospices)**

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**Key findings**

- In total, the government funded 33% of the expenditure incurred by adults’ hospices in England.

- In 2014, there was a peak in funding due to a capital programme sponsored by NHS England. Outside of this, the proportion of expenditure funded by the government has been consistent over the past few years at around one third of expenditure.

- However, there is great divergence in the proportion of funding received by different hospices. Smaller hospices in particular tend to receive significantly lower government funding than medium sized or larger hospices.
Figure 8 – Government funding as a percentage of expenditure in England adults’ hospices (comparison by region)

Key findings

- Average levels of government funding vary significantly between regions in England.
- On average, levels of funding are lowest in the south of England.
- On average, hospices in London receive twice as much statutory funding as those in the South Central region.
- Levels of government funding are typically based on historic arrangements rather than by a specific tariff or assessment of need.
- As a consequence of this, there will also be substantial differences in funding levels within regions.
**Key findings**

- In total, the government funded 28% of the expenditure incurred by adults’ hospices in Wales.
- There is significant variation between the funding levels of different hospices, from 0% up to 57%.
- Overall, hospices in Wales received less government funding as a proportion of expenditure than those in England and Scotland — however this is partly as a result of a different funding system, with more costs being borne directly by the NHS, so it is not possible to make direct comparisons.
Key findings

- In total, the government funded 34% of the expenditure incurred by adults’ hospices in Northern Ireland.

- There are only three independent, charitable adults’ hospices in Northern Ireland, and funding levels are reasonably consistent.
Government funding – Scotland

Figure 11 – Government funding as a percentage of expenditure in Scotland (comparison by size of adults’ hospices)

Key findings

- In total, the government funded 35% of the expenditure incurred by adults’ hospices in Scotland.
- Government funding for hospices in Scotland is typically higher than in other parts of the UK, although there remains significant variation between individual hospices.
**Government funding – children’s hospices (all nations)**

The graph below shows government funding as a percentage of expenditure (excluding trading activities) for UK children’s hospices, with each line representing a different hospice.

*Figure 12 – Government funding as a percentage of expenditure (children’s hospices)*

**Key findings**

- Most children’s hospices are located in England, and on average, government funding in 2017 amounted to 15% of expenditure for a children’s hospice (these figures are for hospices which only care for children, and exclude those who care for both children and adults).

- The variation between hospices is similar to that of adults’ hospices, ranging from virtually nothing to just under 30%.

- Children’s hospices receive significantly less funding as a proportion of their total expenditure than adults’ hospices – even the best funded children’s hospice receives less than a third of its funding from statutory sources.
Expenditure

Figure 13 – Breakdown of total expenditure (including trading) for all independent hospices

Key findings

• On average, hospices spend more than two thirds of their total expenditure on charitable activities.

• 17% of total hospice spend is on retail activities, 12% on fundraising activities and 2% on lotteries.

• There are no clear differences in how hospices spend their funds based on the respective size of the hospices.
Cost of generating funds

The graph below shows the fundraising ratio of hospices. This is calculated by dividing expenditure on fundraising (excluding shop and lottery costs) by fundraised income raised (comprising donations, legacies grants and income from fundraising activities). Income and costs relating to shops and lotteries are excluded from the calculation.

**Figure 14 – Cost of raising funds as a percentage of total fundraised income excluding shops and lotteries (adults’ hospices)**

Key findings

- On average, adults’ hospices had a fundraising ratio of 24%. In other words, every £1 spent on fundraising and publicity generates over £4 of income.
- The data doesn’t show any clear patterns in terms of differences in fundraising ratios based on the size of the hospice.
- There has been an increase in reported fundraising costs in the last two years. It is believed that this increase relates to a change in how costs are reported following the introduction of new accounting standards (SORP 2015), which has resulted in support costs being more consistently allocated to costs of raising funds.
Shops

We have used information available in the hospices’ published, consolidated accounts to analyse the profitability of shop activities. In some cases, hospices have not separately disclosed their expenditure on shops in their accounts – in such cases their results have been excluded from the graph below.

We have calculated profitability as profit divided by income.

**Figure 15 – Shop profits as a percentage of shop income**

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**Key findings**

- The average profitability in 2017 was 24%, which is consistent with the previous year.
- Hospices derive on average 6% of their income from shop profits. Total profits reported by hospice shops were £55 million.
- However, 25 hospices reported that their shops made a loss in 2017.
- Gross income reported by independent hospice shops is £262 million, and income has risen by 6% since the previous year, well above the rate of inflation.
- If income from the large national chains of Marie Curie and Sue Ryder is also included, then hospice shops generate gross income of £335 million per year.
Lotteries

We have used information available in the hospices’ published, consolidated accounts to analyse the profitability of lottery activities. In some cases, hospices have not separately disclosed their expenditure on lotteries in their accounts – in such cases their results have been excluded from the graph below.

We have calculated profitability as profit divided by income.

Figure 16 – Lottery profit as a percentage of lottery income

Key findings

- The average profitability of a hospice lottery was 48%, and the average profit per hospice is £321k.
- Three hospices made a profit of over £1 million on their lottery activities.
- There is greater consistency in profitability among lotteries than shops.
- The total reported gross lottery income for independent hospices was £79 million in 2017, an increase of 11% on the previous year.
Staff costs

In common with many charities, staff costs make up a majority of the expenditure within hospices. The graph below shows staff costs (including salaries, national insurance and pensions) as a percentage of total expenditure (including shops and lotteries).

Figure 17 – Staff costs as a proportion of total expenditure

Key findings

- On average, staff costs represent 68% of a hospice’s total expenditure.
- This is consistent across hospices of all sizes.
- Total staff costs for independent hospices are now almost £800 million and have increased by over 5% since the previous year.
- This is well above the rate of inflation and given this is the largest cost, it highlights the budgetary pressures facing hospices.
- The value of volunteer time is not shown in the financial statements and therefore is also excluded from these figures. Volunteer time is a major contribution to the activities of hospices.
Key management personnel

Under SORP 2015, charities have to disclose the cost of their “key management personnel”.

The average cost of key management personnel disclosed by hospices is £290,981, and the average number of staff included in this figure is 4.3.

Many (approximately 15%) hospices have not disclosed the cost of employing their key management personnel. Another 10% disclosed key management personnel, but did not make it clear which or how many staff this refers to. This means the figures below are not based on information from all hospices.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key management staff</td>
<td>811</td>
<td>834</td>
</tr>
<tr>
<td>Key management costs</td>
<td>52,545,140</td>
<td>56,450,371</td>
</tr>
<tr>
<td>Average number of staff</td>
<td>4.20</td>
<td>4.30</td>
</tr>
<tr>
<td>Average cost of key management personnel</td>
<td>272,255</td>
<td>290,981</td>
</tr>
</tbody>
</table>

**Figure 18 – Average of key management costs (comparison by size of hospice)**

The graph above shows that key management costs rise proportionally as overall organisational costs rise. Larger hospices incur four times as much key management costs as smaller hospices – this is to be expected since their overall costs are at least four times as high.
High paid staff

All charities have also been required for many years to disclose the number of staff they employ who received emoluments (excluding pension contributions) of over £60,000.

In total, the hospice sector employs 490 staff who are defined as highly paid (earning over £60,000), which works out at an average of 2.5 per hospice.

**Figure 19 – Employees earning over £60,000**

Hospices are likely to employ more staff on high salaries than the average charity, as many will directly employ highly skilled medical staff, and will be required to offer salaries at a similar level to the NHS market.

Staff numbers

The independent hospice sector employs 32,532 staff or 24,444 full time equivalent staff. These numbers include staff working in hospice shops and other fundraising activities as well as those directly involved in care. They do not include the thousands of volunteers who are critically important for the delivery of hospice care in the UK.

If staff employed by the two large national charities Marie Curie and Sue Ryder are included, then these figures rise to 39,963 staff or 29,684 full time equivalent staff.
Available reserves

Available reserves are defined in this report as unrestricted reserves, including designated funds, less unrestricted tangible fixed assets. Available reserves are held by hospices for a number of reasons:

- Hospices rely on voluntary donations and fundraising for on average two thirds of their income, and most have to renegotiate their NHS funding every year. Hospices must hold sufficient free reserves to enable the hospice to continue to provide its essential services if income levels were to fall.
- To fund future capital projects, such as building or refurbishment work.
- To contribute to general expenditure in times of growth or change, to respond quickly to new demands and take on innovative projects.

It is the responsibility of the trustees to balance the above considerations and determine how much a charity should hold in reserves. In the following graphs, the value of available reserves is compared to each hospice’s annual total expenditure (including trading activities).

Figure 20 – Available reserves as months of expenditure (adults’ hospices)
Available reserves (continued)

Figure 21 – Average available reserves as months of expenditure by expenditure banding (adults’ hospices)

Key findings

• On average, adults’ hospices hold the equivalent of 10 months of expenditure in available reserves.

• Over a third (38%) of hospices hold less than six months of expenditure in available reserves.

• There are 11 adults’ hospices with negative available reserves, which means that they are using the value of their fixed assets to enable them to remain solvent.

• At the other end of the scale, 13 hospices have available reserves of more than two years expenditure. It may be that these hospices are saving funds for a new building or other major capital project.

• Overall, there is a clear trend of hospices holding less reserves than in previous years, which probably reflects the challenging economic climate.
Available reserves

Key findings

• On average, children’s hospices hold available reserves representing 13 months of expenditure. This is higher than adults’ hospices, which may reflect the differences in sources of funding noted in Figure 3 – Income type as a percentage of total income. (If income sources are believed to be less secure in the long term, then charities would be expected to hold higher levels of reserves so that their services are not affected by short-term fluctuations in income).

• Once again, there is a significant variation in reserves, with one hospice holding under one month of reserves and two holding more than four years of reserves.
Deficits and falling reserves

The graph below shows details of hospices that experienced losses during the year. Losses can be defined either before or after taking into account changes in the value of investment. Losses may be budgeted or may be a result of falls in income, or unforeseen expenditure.

**Figure 23 – Surplus/(deficit) on total expenditure**

The first measure is of how many hospices spent more than they received. By this measure, 45% recorded deficits in 2017.

**Figure 24 – Movement in total reserves including investments**

The second measure is movement in reserves held by hospices, which is affected by any changes to investment values or property revaluations as well as income and expenditure in the year. By this measure, 34% of hospices suffered negative movements in reserves in 2017.
Cash

The graph below shows the total number of months of expenditure (including shops and lotteries) that could be covered by cash and short-term deposits available to hospices at the year-end.

Figure 25 – Months of expenditure covered by cash and short-term deposits

Key findings

- On average, hospices hold just under six months of expenditure as cash in hand.
- Smaller hospices tend to have much higher cash holdings than larger hospices in comparison to their expenditure levels.
Cash (continued)

Figure 26 – Months of expenditure covered by cash, short-term deposits and investments

Key findings
• If investments as well as cash are taken into account, then the average hospice is holding around 14 months of liquid assets.
Return on investments

The graph below shows the income return on cash and investments (defined as dividends and interest received in the year as a percentage of the year-end carrying value of cash and investments). Unrealised movements on investments are not included.

Figure 27 – Income return on cash and investments

Key findings

- Average returns in 2017 were 2%.
- There has been a small but steady increase in investment returns in recent years.
Return on investments (continued)

The graph below shows the total return on investments, including bank and dividend income plus the effect of any realised and unrealised gains or losses on investments.

Figure 28 – Return on investments (including change in market value)

Key findings

- If changes in the value of investments are also taken into account, then hospices received an average return on investments of 9% in 2017.

- This figure is higher than in previous years because many hospices saw significant gains in the market value of their investments in 2017.

- These gains will only be realised if and when the hospices sell their investments.

- Larger hospices tended to have received stronger returns than smaller hospices, and on average they had invested proportionally more on the stock market.

The graph below shows the total return on investments, including bank and dividend income plus the effect of any realised and unrealised gains or losses on investments.
Audit fees

In total, hospices spent over £2 million on audit fees in 2017 and £350k on other services from their auditors. The graph below shows the audit fees for hospices compared to their income levels.

Figure 29 – Audit fee per £100,000 of income (including income from shops and lotteries)

Key findings

- The average audit fee (in proportion to income) has increased for all but the largest hospices in 2017.

- However, the total amount hospices paid in audit fees reduced in 2017, probably due to the reduction in fees for the largest hospices.

- There are clear economies of scale, with larger hospices paying proportionally far less than smaller hospices. The smallest hospices relatively pay more than double the fees of larger hospices.