



**HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED**

**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2015**

**REGISTERED CHARITY NUMBER:** 280825

**COMPANY NUMBER:** 1507474

**REGISTERED OFFICE:** Hospice of St Francis (Berkhamsted) Limited  
Spring Garden Lane  
Berkhamsted Herts HP4 3GW

## REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

CONTENTS	PAGE NUMBER
Chairman's Report	3
<b>Report of the Board of Trustees</b>	
Patrons and Trustees of the charity	4
Management and advisors	5
Objectives and activities	6
Strategic Report	
Macroeconomic factors	7
Achievements and performance, with plans for future periods	8
Principal risks and uncertainties	11
Financial review	12
Reserves	14
Investment policy	15
Structure, governance and management	15
Employees and volunteers	16
Statement of Trustees' responsibilities	17
Patient Statistics	18
Report of the Auditors	19
Statement of Financial Activities	21
Balance Sheet	22
Cash Flow Statement	23
Accounting Policies	24
Notes to the Accounts	27

## **CHAIRMAN'S REPORT**

The Hospice again increased the provision of care during the year. Our inpatient unit is busy, increasingly caring for patients with complex physical, psychological and social needs. Occupancy of our 14 beds was at 73% and the number of non-cancer patients was up again. Our team of community specialist nurses experienced the greatest increase in referrals and two healthcare assistants were appointed to strengthen it. The Spring Centre, the focal point for outpatient services for patients, families and carers, had a successful second year; activity rose by 35%.

It was also a successful year for fundraising although the total was lower than the previous year's. This was because legacy income in the previous year had been exceptionally high. This is an area in which we wish to improve and will be increasing our efforts. All other income streams were up, including trading, despite implementing some time consuming reorganisation.

We finished the year with a strong level of reserves, equivalent to over 9 months running costs. As we continue to reach more patients, this figure will be reduced towards our minimum threshold of 6 months.

Sadly, we, along with our partners, Peace Hospice and Rennie Grove Hospice Care, decided to wind up Shine, our domiciliary care joint venture. This was an investment intended to produce a new income stream for our hospices. We still believe that there is a market for the kind of care that Shine offered. It was, however, well behind our business plan projections and making slow progress. It would have required significant further capital and time, which we could not justify.

A management restructure was implemented during the year to reflect the growth of our hospice, and to strengthen the management team for the future. A new Executive Team was established. A significant appointment was that of Clare Hearnshaw as Director of Care and Clinical Development with effect from 1<sup>st</sup> August. The appointment of David Brodala as Director of Trading in February, further strengthened the management team.

In October the Hospice CEO, Ros Taylor MBE was appointed National Director for Hospice Care at Hospice UK, the movement's membership body. She retired from the Hospice with effect from 31<sup>st</sup> March 2015. As is well known, Ros made an enormous contribution to the development of our Hospice over a period of 18 years. Her departure was marked with a fitting tribute to her years of dedication and achievement from the Board, staff, volunteers, donors and many Hospice supporters. I would like to record our appreciation again in this report.

After a thorough search and selection process, Steve Jamieson was appointed CEO to succeed Ros. He has an ideal blend of experience, having had a successful 18-year nursing career, followed by a similar spell in top management at the Royal College of Nursing. Steve took up his post on 30<sup>th</sup> March 2015. We wish him every success in leading our Hospice in the many challenges which lie ahead.

There were Board changes too. At the AGM in September, three excellent Trustees retired after 6 years of service: Jenny Burley, Deputy Chairman; Susan Crighton; and Paul Heatley, and we welcomed four new Trustees - Julia Bolsom, Sarah Byrt, Victoria Moore and Bernie Tipple. The Board appointed David Williams as Deputy Chairman.

On behalf of the Board, I would like to thank the management, staff and the many volunteers for their continued hard work and for all they do for our hospice. The Board would also like to record its grateful thanks to all the donors without whose generosity we would not be able to help so many people.

**Charles G Toner Chairman of the Board of Trustees.**

## REPORT OF THE BOARD OF TRUSTEES

### PATRONS AND TRUSTEES OF THE CHARITY

#### PATRONS

The Lord Lieutenant of Hertfordshire, the Countess of Verulam  
Joanna Barker D.Litt. MBE  
Jo Connell OBE DL  
Vivienne Cox  
Joan Gentry  
Hilary McNair  
David Gauke, MP for South West Hertfordshire  
Mike Penning, MP for Hemel Hempstead  
Rt Revd Dr Alan Smith, Bishop of St Albans  
The Lady Lyell

#### BOARD OF TRUSTEES:

#### Membership of committees and directorships of subsidiary company

Ms G Burke	C
Ms J Bolsom (appointed September 2014)	F, T
Mrs J Burley (resigned September 2014)	C, N
Mrs S Byrt (appointed September 2014)	N
Mrs S Crichton (resigned September 2014)	TC
Dr J Dickson (resigned June 2015)	C
Mr M Gorman	F
Ms V Fruish	R, T
Dr P Heatley (resigned September 2014)	C
Mr P Miller*	T
Mrs V Moore (appointed September 2014)	C
Mrs S Noble	F, C
Dr B Tipple (appointed October 2014)	C
Mr C Toner (Chairman)	N, R
Mr D Williams* (Deputy Chairman)	F, N, R, T
Mrs A Woodhams (Treasurer)	F, N, R

#### Key to committee membership:

##### Board Committees

Finance and Fundraising (F)	Clinical Care (C)	
Nominations and Governance (N)	Remuneration (R)	Trading (T)

##### Subsidiary Company

\*Director of Hospice of St Francis Trading Ltd (T)



HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED  
A company limited by guarantee  
Report and Accounts for the Year ended 31 March 2015

---

## REPORT OF THE BOARD OF TRUSTEES

### HOSPICE MANAGEMENT AND DETAILS OF ADVISORS

<b>CHIEF EXECUTIVE:</b>	Steve Jamieson
<b>COMPANY SECRETARY:</b>	Clare Miles
<b>EXECUTIVE TEAM:</b>	David Brodala (Trading) Sharon Chadwick (Medical Director) Jo Dew (Fundraising and Communications) Clare Hearnshaw (Care and Clinical Development) Clare Miles (Finance and Facilities) Angela Proctor (HR and Voluntary Services)
<b>REGISTERED OFFICE:</b>	Hospice of St Francis Spring Garden Lane Berkhamsted Hertfordshire HP4 3GW
<b>COMPANY REGISTRATION NUMBER</b>	01507474 Registered in England and Wales
<b>CHARITY REGISTRATION NUMBER</b>	280825
Telephone:	01442 869550
Website:	<a href="http://www.stfrancis.org.uk">www.stfrancis.org.uk</a>
Email:	<a href="mailto:info@stfrancis.org.uk">info@stfrancis.org.uk</a>
<b>AUDITORS:</b>	haysmacintyre 26 Red Lion Square London WC1R 4AG
<b>BANKERS:</b>	Lloyds TSB 205 High Street Berkhamsted Hertfordshire HP4 1AP
<b>SOLICITORS:</b>	SA Law 60 London Road St Albans Hertfordshire AL1 1NG
<b>INVESTMENT ADVISOR:</b>	Barclays Wealth, London 1 Churchill Place London E14 5HP

## REPORT OF THE BOARD OF TRUSTEES

### OBJECTIVES AND ACTIVITIES

#### **Charitable Activities and Public Benefit**

The Hospice of St Francis is a UK charity which is dedicated to the care of adults living with life limiting illness. Its activities fall within the Charity Commission's definition of public benefit.

#### **Activities**

The Hospice of St Francis has three principal charitable activities;

- **Hospice care**

The Hospice of St Francis provides palliative and end of life care to resident patients, outpatients and patients in the community. It accepts patients on the basis of clinical need. The Hospice does not charge its patients for the services it provides.

- **Bereavement Support**

The Hospice of St Francis provides support to family members, including children facing bereavement. No charge is made to clients for this service.

- **Education**

The Hospice of St Francis offers a programme of education and development to improve the quality of care provided to patients at the end of their lives in places other than the Hospice.

## REPORT OF THE BOARD OF TRUSTEES

### STRATEGIC REPORT

#### Macroeconomic factors

In common with other organisations which provide end of life care, the Hospice of St Francis is facing a challenging future. Significant factors include the demographic changes arising as a result of the ageing UK population, and the new patterns of delivery of health and social care, with their contractual and financial implications. These factors include the following important considerations:

- *The demographic challenges* are compelling. Longevity and comorbidity are blurring the edges between palliative care, elderly care and primary care.
- *Resources are needed* to fund care if people choose to be cared for at home.
- *The quality of care of those dying in hospital* (still over 50% of all deaths) remains a huge concern.
- *End of Life care remains fragmented and poorly coordinated*
- *The reform of health and social care services* will impact on Hospice services and future funding streams may be affected
- *The challenge of competition* from new providers and the private sector may imply a shift towards outcome – oriented care.
- *There are likely to be significant education and training needs in health and social care, to improve care in generalist settings to develop a more flexible specialist workforce.*

These long term changes to the landscape of end of life care present considerable challenges for the Hospice of St Francis, as well as considerable opportunities for making a difference in our community.

#### Achievements and performance in 2014-15

This section of the report shows the progress we have made towards the objectives we identified in our 2013/14 report. These objectives fall within four categories:

1. Transforming quality of life for those living with life-limiting illness
2. Ensuring quality through education and research
3. Raising more money to sustain and expand our services
4. Continually improving efficiency and effectiveness



## REPORT OF THE BOARD OF TRUSTEES

### Transforming quality of life for those living with life shortening illness – Key achievements

In 2013/14, we said we would:

- Maintain occupancy in our inpatient department at over 85% and keep the average length of stay to below 13 days
- Introduce hands-on care service to help our patients stay at home longer if that is their preference
- Increase the range of services for those with illnesses other than cancer
- Introduce a wider range of support services for carers
- Support the introduction of individualised care plans in Watford General Hospital
- Combine face to face and digital communications to support more people
- Implement an Electronic Co-ordination System to link providers (EPaCCS)
- Work in an integrated way with NHS locality teams

In 2014/15, clinical activity grew across all areas, and the percentage of patients with illnesses other than cancer has risen.

The inpatient unit remains a busy place, increasingly caring for patients with more complex physical, psychological and social needs. We changed the way we calculated occupancy, moving to a method which will standardise our reporting with that of neighbouring hospices. Using the old calculation method, our occupancy was 88%, and we achieved our target. Using the new calculation method, occupancy was 73%. The average length of stay was 11 days. The Hospice will aim to increase activity in its inpatient unit.

The Hospice community team saw the greatest increase in the numbers of referrals. Two healthcare assistants were appointed to work alongside the community team specialist nurses, to provide practical and emotional support to patients. This has been successful, and we plan to expand this activity in the future, funding permitting.

The Hospice wellbeing and palliative rehabilitation service (Spring Centre) has had a successful second year. This joint project with Macmillan Cancer Support promotes wellness, resilience and self management. Activity has risen by 35%, and includes support for patients and for families and carers.

A Hospice Consultant worked two days a week at Watford General Hospital during the year, and a nurse-educator worked four days a week there. The hospital's difficulty in recruiting specialist nursing posts meant that the objective to introduce individualised care plans at the hospital has not yet been achieved. However progress has been made in a number of other areas including the successful launch of the Rose bereavement symbol and an increasing recognition of the importance of end of life care.

During the year, the Hospice took part in collaborative discussions with other Hertfordshire specialist palliative care providers and Herts Valleys CCG, working towards developing a robust coordinated model of end of life care for all residents to have support to die at home if this is their wish. This urgently needed work continues with a particular focus on ensuring that any new systems integrate with other services. It is however being hampered by NHS financial constraints.



## REPORT OF THE BOARD OF TRUSTEES

### Ensuring quality through education and research – Key achievements

In 2013/14, we said we would:

- Secure additional funding to sustain care home education (ABC project)
- Explore collaborative education possibilities
- Launch a prostate cancer education programme
- Implement real time reporting using trained volunteers
- Introduce an accredited outcome measure across services
- Involve patients, carers and the public in service design and delivery through “people’s panels”

In 2014/15, funding for the ABC care homes education project was lower than in previous years: this collaborative project is managed by four hospices working to improve end of life knowledge and practices in care homes. The Hospice of St Francis’s activity continued as in 2013/14, because we covered the gap in funding from our own resources. Some of the other partners in the project were unable to do this, and as a result, the delivery of education to care homes was reduced. The increasing numbers of people living in care homes makes educating care home workers a highly effective way to improve end of life care.

We appointed a Director of Education and Research, and we started a Prostate Cancer programme, initially funded by Prostate Cancer UK; both posts work across two hospices, to provide a coordinated education and support programme across North West and South West Hertfordshire.

We implemented real time reporting for service evaluation for our inpatients, and will extend this to outpatients in 2015/16. We value this feedback, helping us to continually improve our service, and to consult patients and carers in service design. Alongside this work, we investigated tools for measuring outcomes across all our services.

### Raising more money to sustain and expand our services – Key achievements

In 2013/14, we said we would:

- Increase the number of active supporters and corporate partners
- Implement a Tribute project
- Increase PR and social media coverage across all media
- Revise the retail central distribution plans with a focus on logistics to save costs
- Expand e-commerce activities in new premises
- Look for affordable and profitable sites to open two new shops

In 2014/15, we further increased the supporters on our database by 7%, and increased the number of corporate partners. This level of committed local support underpins and supports all of our activities.

We installed a memory tree in our chapel, as a tribute project of the family and friends of our patients. The tree was designed by a local artist and is a truly beautiful addition to the Hospice.

## REPORT OF THE BOARD OF TRUSTEES

### Raising more money to sustain and expand our services – Key achievements (continued)

Our social media accounts were active during the year, allowing us to broaden the range of people we connect with; the immediacy of social media complements more traditional communication methods.

Our retail activities have experienced a year of change. We decided to end our system of central distribution of stock; while managing stock is always important in charity retail, the costs of a central warehouse facility quickly became unrealistically high compared to the value of the stock being stored. We relocated our eBay trading activities to our warehouse, and this has increased eBay sales. We deferred opening new shops while we concentrated on growing sales in existing shops and defining an appropriate retail strategy for the future.

### Continually improving efficiency and effectiveness – Key achievements

In 2013/14, we said we would:

- Review internal communications and devise an external engagement strategy for the Hospice
- Review procurement procedures to make sure we spend charity money wisely
- Identify medium and long term facilities investment needs

In 2014/15, as we moved towards a more collaborative way of working, we identified a strategic need for more effective communications with the Hospice's many different stakeholders, and we allocated resource to this.

An effective service depends on good governance, and we have rolling procurement review procedures to ensure that money is spent wisely. We aim to achieve value for money to ensure an efficient and sustainable service to our patients and clients. Part of this is ensuring that our facilities are fit for purpose, and we started to plan our long term facilities maintenance and replacement needs.

### Plans for 2015/16

We will continue to provide high-quality patient-centred care and to work towards the coordination of care to utilise local resources more effectively and respond to the significant unmet need within our communities.

### Transforming quality of life for those living with life shortening illness

We will:

- Aim at increasing occupancy in our inpatient services, continuing to admit patients 24/7
- Continually improve care quality in our inpatient department
- Invest in community services as part of collaborative service provision to allow all people in the local area to access expert palliative care services
- Identify gaps in community provision so we can direct wellbeing resources to reach more people in the community



## REPORT OF THE BOARD OF TRUSTEES

### Ensuring quality through education and research

We will:

- Expand the prostate cancer service through local collaboration
- Develop links with universities to become research active to improve the evidence base for care
- Introduce OACC (Outcome Assessment and Complexity Collaborative) reporting

### Raising more money to sustain and expand our services

We will:

- Appoint a head of communications
- Review our shops portfolio, closing underperforming shops and testing new shop formats
- Develop re-use and recycling opportunities

### Continually improving efficiency and effectiveness

We will:

- Analyse staff motivation and encourage engagement with Hospice aims
- Produce a rolling 10 year plan for building maintenance and facilities investment

### Principal risks and uncertainties

The principal risk areas and resulting actions identified by the Hospice are:

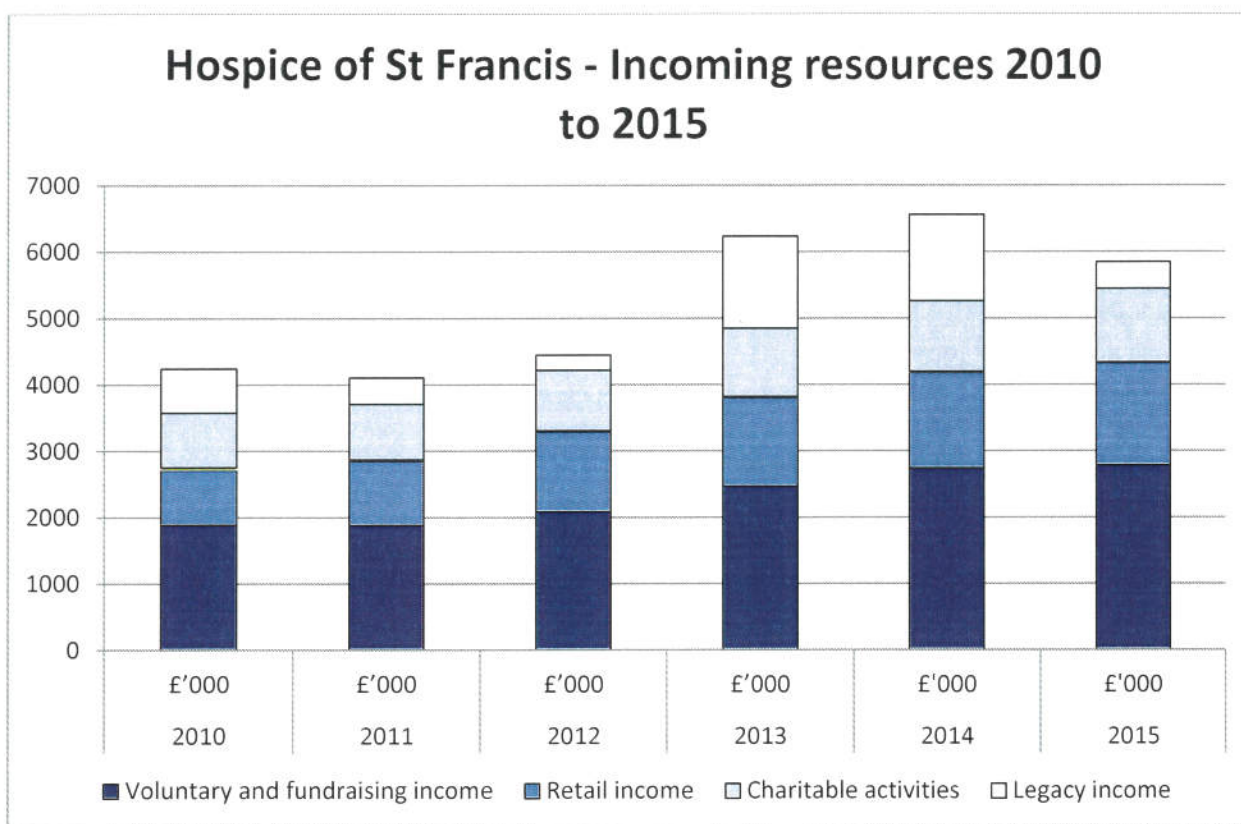
- External operating, social, political and financial environments.**- *by monitoring and minimising any adverse impact of trends in the external environments, and to engage with our community.*
- Financial strength** – *by ensuring that the Hospice operates in line with the approved budget and business plan including under stressed conditions. By planning for future growth in a prudent manner*
- Excellent reputation**- *by ensuring that the safekeeping of our reputation permeates all areas of the Hospice and community.*
- People**- *by ensuring we recruit and retain people with the appropriate skills, resilience, knowledge and expertise to deliver on our business objectives and reflecting the values of the Hospice*
- Process and Resource**- *by ensuring the provision of well defined and controlled business processes, effective management, secure and scalable technology and premises which remain fit for purpose and meet sector best practice and standards including business continuity planning.*
- Care delivery**- *by delivering on our Strategic Objectives to ensure that the services are designed, delivered and monitored to the highest standard meeting the requirements of all our patients and families*
- Revenue and income generation**- *by ensuring that our income is well diversified and is resourced appropriately.*

The risks within each area are monitored by the Executive Team, with action or contingency plans prepared as necessary. The Board of Trustees retains oversight of all risks and of the overall risk management process.

**REPORT OF THE BOARD OF TRUSTEES**

**FINANCIAL REVIEW**

**Sources of income**



The Hospice of St Francis' main sources of income are:

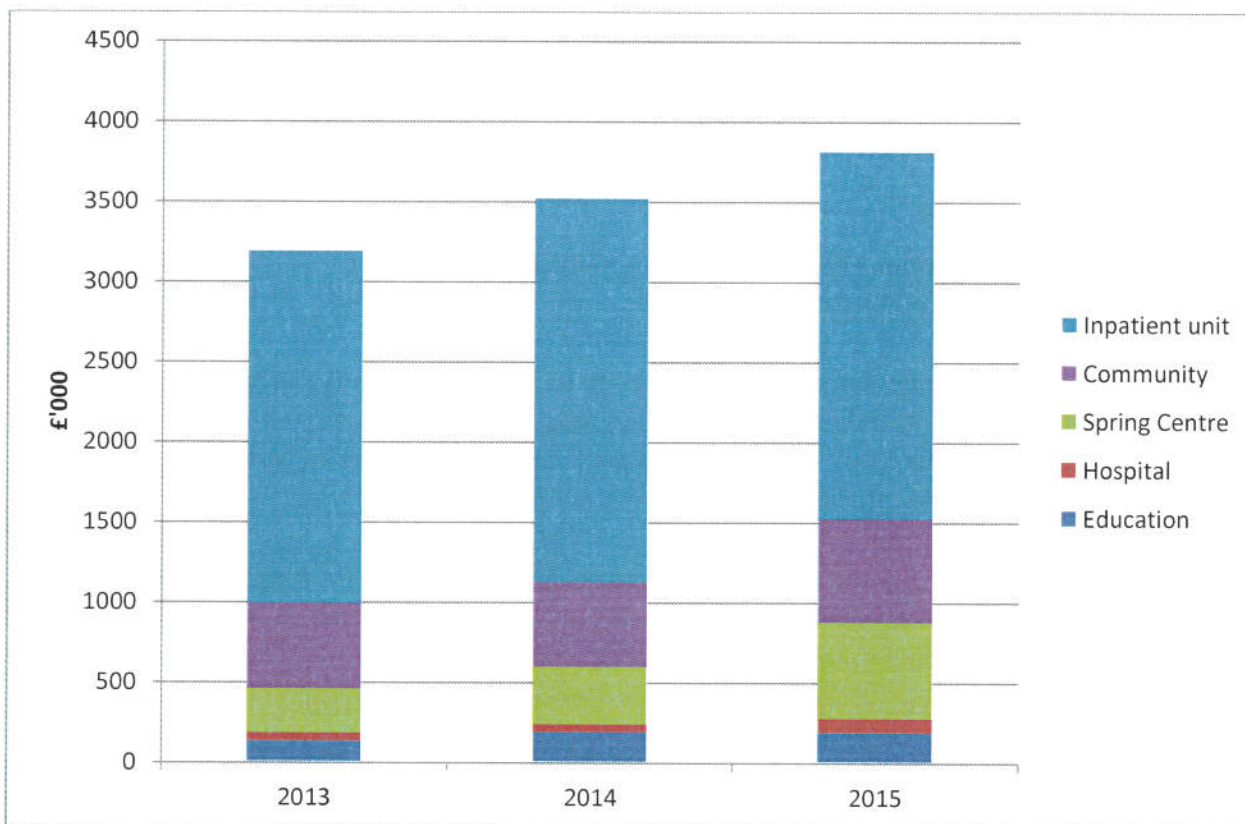
- Voluntary and fundraising income grew by 9% in the year ended 31 March 2015, and accounted for 49% of income. The Hospice fundraising department raises money through events and sponsorship, applications to grant making trusts, direct marketing, in memory giving, and other sources. The costs of raising voluntary and fundraising income account for 29% of the income, leaving 71% of all money raised to support Hospice activities.
- Retail income grew by 7% in the year ended 31 March 2015, and accounted for 26% of income. This income comprises the sale of goods in all the Hospice shops. Adjusting for gift aid and the costs of running the shops, retail income accounted for 22% of all the money raised to support Hospice activities.
- Income from charitable activities grew by 4% in the year ended 31 March 2015, and accounted for 18% of income. This category includes NHS grants and direct payments for service delivery, as well as restricted grants from other organisations to directly support services.



## REPORT OF THE BOARD OF TRUSTEES

- Legacy income, which is an inherently variable income category, fell by 69% in the year ended 31 March 2015 and accounted for 7% of the money raised to support the Hospice.

### Spending on charitable activities



Spending on charitable activities rose by 8% in the year ended 31 March 2015:

- Total costs of charitable activities were £3,809,000, up by 8% compared to the previous year. During the year, the development of community and outpatient services prompted a reassessment of how costs were shared between the different activities of the Hospice.
- The IPU activity accounts for 60% of all spending. Costs were down by 4%.
- Community palliative care accounts for 17% of all costs, and costs rose by 23% during the year, due to the investment in a team of health care assistants to work with the specialist nurse team, and the appointment of a specialist prostate cancer nurse.
- The Spring Centre (outpatient and bereavement services) accounted for 16% of all costs, and rose by 68% during the year. The Spring Centre was launched in April 2013, with investment from Macmillan Cancer Support, and has grown strongly during the year.
- Education provided by Hospice of St Francis accounted for 5% of all spending.
- Work at the hospital accounted for 2% of all spending.

## REPORT OF THE BOARD OF TRUSTEES

### Net movement in funds

Unrestricted funds at 31 March 2015 fell by £397,000 during the year ended to end at £9,778,000.

### Financial forecasting

The Hospice of St Francis's system of financial management and control operates through a rolling three year business plan, and annual budgets. The business plan for the 2015 to 2018 period projects deficits for each year of the plan, as the Hospice continues to invest in the activities defined in its strategic plan. The Board of Trustees has approved the use of the Hospice's unrestricted reserves to fund the deficit, within the agreed timescales and within the agreed financial limits.

### Reserves

All UK charities are required to consider how much they need to hold in reserves, to ensure they achieve their charitable objectives as well as maintain sustainability.

The Hospice of St Francis provides important health services to its local community, and is dependent on a number of fluctuating income streams including donations, grants, legacies, and shop profits. The reserves held by the Hospice should allow it to continue operations even when there is an unforeseen downturn in any of these sources of income, or an unforeseen increase in costs.

The reserves policy was reviewed by the Board of Trustees during the year. Required reserves are estimated by reference to:

- The riskiness of different income categories
- The level of funds required to cover unexpected expenditure or future growth
- Working capital requirements
- Provision for the costs of cutting services or restructuring the charity if this should be needed

The resulting calculation provides a minimum level of reserves required. At 31 March 2015, the calculation of reserves indicated that reserves of £2,461,000 were required. This equals approximately six months of operating costs, excluding retail costs.

At 31 March 2015 the Group's free reserves stood at £3,909,000, providing cover for over nine months of charitable operating expenses for the Group. Planned deficits in the business plan for the 2015-2018 period will further reduce reserves, but the Board of Trustees is confident that reserves will remain above the target level. The Board of Trustees carefully monitors the Hospice's income and expenditure and will take any action needed if there is a significant risk to the Hospice's financial position and the sustainability of its services.



## REPORT OF THE BOARD OF TRUSTEES

In the current political environment, contracts for services are increasingly being allocated by competitive tender. The Trustees have noted that a strong reserves position may be an advantage in tendering for services, and will not let reserves fall below the minimum level. This minimum level may in the future need to rise to take into account the increased level of risk in our income streams.

### Investment policy

The primary objective of the Hospice's investment policy is the capital preservation of reserves. A secondary objective is capital appreciation. The Hospice has a moderate tolerance to risk. Investments allocated to cover Hospice reserves are to be held for the long term. Fluctuations in investment values should not affect short to medium term strategic decisions.

### Investment portfolio objectives

- **Total target return:** Over the longer term the Trustees' objective for total return is absolute growth in line with operating cost inflation, assessed at 4.5% per annum.
- **Risk Parameters:** The Trustees do not set an overall risk target but consider each investment individually. In addition to statistical and volatility measurements other risks considered are: liquidity risk; reputational risk (both for the Hospice and the issuer); and credit risk.
- **Asset Allocation:** In accordance with a moderate risk strategy the trustees seek a well-diversified investment portfolio across all asset classes with a bias towards fixed income and cash. Liquidity is a major consideration in all investment decisions.
- **Social, environmental and ethical considerations:** The Hospice will not invest directly in tobacco related companies.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Structure

The Hospice of St Francis is constituted as a company limited by guarantee and is governed by Memorandum and Articles of Association.

The Hospice of St Francis is registered with the Care Quality Commission, which monitors and inspects the Hospice as an independent healthcare provider. The Registered Manager of the Hospice of St Francis is Ms Alison Allard, Registered Nurse.

The Hospice of St Francis operates within Hertfordshire and the Chilterns region of Buckinghamshire. Within its catchment area, it works collaboratively with other organisations working in palliative care and end of life care services, including NHS organisations, other hospices and other charities.

### Corporate Governance

The governing body of the Charity is the Board of Trustees: at 31 March 2015 there were 13 Trustees. Membership of the Board is set out on page 4 of this report.

## REPORT OF THE BOARD OF TRUSTEES

At 31 March 2015, there were five formally constituted Board Committees, each with specific terms of reference and functions delegated by the Board. These committees, which are chaired by a Trustee and which report to the Board, are:

- the Clinical Care Committee
- the Finance and Fundraising Committee
- the Trading Committee
- the Nominations and Governance Committee
- the Remuneration Committee

### Management

The Board is responsible for setting overall Hospice strategy and approving financial plans. It delegates day to day operational management responsibilities via the Chief Executive to the Hospice's Executive Team and other senior managers.

### Election and Appointment of Trustees

The Board appoints new Trustees, based on selection criteria which ensure that the Board has access to a wide range of skills and experience. The Board also appoints Trustees to the Board committees. The recruitment of new trustees is through a process of advertisement, application, interview and selection.

### Induction and Training

An induction programme is offered to all new Trustees, and updates are offered throughout the period of tenure. Regular appraisal meetings are carried out by the chairman at which further training needs are identified.

## EMPLOYEES AND VOLUNTEERS

Staff are appointed using value-based competency procedures. Information about the Hospice's aims and activities are communicated to staff and volunteers through briefings, meetings, newsletters and emails. Staff and volunteers are expected to be aware of, and work in accordance with the Hospice values, and these are displayed throughout Hospice premises. The values are:

- Respectful relationships
- Constructive communication
- Excellence through innovation
- Integrity and trust
- Encouraging learning
- Sustainable service
- Community engagement

Volunteers have been central to the Hospice of St Francis since its inception. At 31 March 2015, there were over 1,000 volunteers supporting the Hospice in a variety of roles, including in the Hospice itself, in our shops, in the offices and in the community. Staff and patients alike welcome the involvement of volunteers in the Hospice of St Francis, and their contribution is integral to all Hospice operations.



## REPORT OF THE BOARD OF TRUSTEES

### STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also directors of Hospice of St Francis (Berkhamsted) Ltd for the purposes of company law) are responsible for preparing the Trustees' Report, including the strategic report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (Statement of Recommended Practice);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

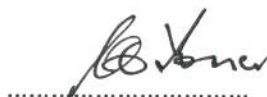
### Appointment of Auditors

A proposal to reappoint haysmacintyre as auditors in accordance with section 485 of the Companies Act 2006 will be put to the AGM.

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included here in their capacity as company directors.

20 July 2015

Chairman



.....

Charles G Toner

## PATIENT STATISTICS

	2014/15	2013/14
Total patients <sup>1</sup>	995	849
% non-cancer diagnosis	27%	23%
<b>Inpatients</b>		
Number of admissions	341	294
Occupied bed nights	3,726	4,005
Occupancy % <sup>2</sup>	73%	78%
Average length of stay	11 days	13 days
Number of discharges	118	107
Deaths	205	192
<b>Care at Home</b>		
Referrals	360	260
Specialist nurse caseload at end of year	240	215
Home visits:		
Specialist nurses	2,342	2,325
Doctors and supportive care team	848	465
<b>Outpatient care</b>		
Contacts	2,130	1,765
<b>Bereavement care</b>		
Support contacts for family members	2,353	2,111
Support telephone calls	3,528	2,580
Bereavement service users	1046	987
<b>Place of death</b>		
Total deaths <sup>3</sup>	451	387
Out of hospital <sup>4</sup>	354	321
Percentage of deaths out of hospital	78%	83%

<sup>1</sup> Calculation method changed in 2014/15 and comparatives restated

<sup>2</sup> Calculation in 2014/15 and prior year restated in line with NHS national standards

<sup>3</sup> Deaths of patients supported by the Hospice during the year

<sup>4</sup> Deaths out of hospital take place in a hospice, at home, or in a nursing home

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED**

We have audited the financial statements of Hospice of St Francis (Berkhamsted) Limited for the year ended 31 March 2015 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, Section 144 of the Charities Act 2011 and regulations made under Section 154 of that act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).



### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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

In our opinion the information given in the Trustees' Annual Report incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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



**Murtaza Jessa**  
**(Senior Statutory Auditor)**  
for and on behalf of **haysmacintyre**  
**Statutory Auditors**

**26 Red Lion Square**  
**London WC1R 4AG**

20 July 2015

*haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*



HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED  
A company limited by guarantee  
Report and Accounts for the Year ended 31 March 2015

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2015**

	Unrestricted Funds Note 1C £'000	Designated Funds Note 1C £'000	Restricted Income funds Note 1C £'000	Total 2015 £'000	Total 2014 £'000
<b>Incoming resources (note 4)</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2,506	-	40	2,546	2,538
Legacy income	404	-	-	404	1,276
Activities for generating funds - trading and fundraising	235	-	-	235	200
Activities for generating funds - retail income	1,544	-	-	1,544	1,439
Share of incoming resources from joint venture	69	-	-	69	69
Investment income	9	-	-	9	23
	<b>4,767</b>	<b>-</b>	<b>40</b>	<b>4,807</b>	<b>5,545</b>
<b>Incoming resources from charitable activities</b>					
NHS Grants for Hospice care	-	-	748	748	802
Other income from charitable activities	13	-	348	361	255
	<b>13</b>	<b>-</b>	<b>1,096</b>	<b>1,109</b>	<b>1,057</b>
<b>Total Incoming Resources</b>	<b>4,780</b>	<b>-</b>	<b>1,136</b>	<b>5,916</b>	<b>6,602</b>
less share of incoming resources from joint venture	(69)	-	-	(69)	(69)
	<b>4,711</b>	<b>-</b>	<b>1,136</b>	<b>5,847</b>	<b>6,533</b>
<b>Costs of generating funds (note 5)</b>					
Costs of voluntary income	461	10	1	472	482
Costs of activities for generating funds	397	10	-	407	305
Cost of retail activities	1,690	8	-	1,698	1,539
	<b>2,548</b>	<b>28</b>	<b>1</b>	<b>2,577</b>	<b>2,326</b>
<b>Net income available for charitable activities</b>	<b>2,163</b>	<b>(28)</b>	<b>1,135</b>	<b>3,270</b>	<b>4,207</b>
<b>Charitable activities (note 5)</b>					
Inpatient unit	1,379	79	833	2,291	2,262
Community	548	5	94	647	536
Outpatients (Spring Centre)	351	25	86	462	335
Bereavement (Spring Centre)	93	4	40	137	138
Hospital	48	-	37	85	56
Education	122	4	61	187	190
	<b>2,541</b>	<b>117</b>	<b>1,151</b>	<b>3,809</b>	<b>3,517</b>
Governance costs	67	-	-	67	66
<b>Total resources expended (note 5)</b>	<b>5,156</b>	<b>145</b>	<b>1,152</b>	<b>6,453</b>	<b>5,909</b>
<b>Net income / (expenditure) for the year</b>	<b>(445)</b>	<b>(145)</b>	<b>(16)</b>	<b>(606)</b>	<b>624</b>
Net interest in the results of the joint venture	(40)	-	-	(40)	(42)
Gains on investment assets (note 9)	233	-	-	233	132
Net movement in funds	<b>(252)</b>	<b>(145)</b>	<b>(16)</b>	<b>(413)</b>	<b>714</b>
Transfers between funds	-	-	-	-	-
Net movement in funds	(252)	(145)	(16)	(413)	714
<b>Total funds brought forward</b>	<b>4,716</b>	<b>5,459</b>	<b>20</b>	<b>10,195</b>	<b>9,481</b>
<b>Total funds carried forward</b>	<b>4,464</b>	<b>5,314</b>	<b>4</b>	<b>9,782</b>	<b>10,195</b>

The Accounting Policies and Notes on pages 24 to 45 form part of the Accounts.

All of the above amounts relate to continuing operations. All gains and losses recognised in the year are included above. The deficit for the year for Companies Act purposes comprises the net outgoing resources plus realised gains and losses on the disposal of investments and other assets and totals £559,000. (2014: £664,000 surplus).

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED  
A company limited by guarantee  
Report and Accounts for the Year ended 31 March 2015

**COMPANY NUMBER 1507474**  
**CONSOLIDATED AND CHARITY BALANCE SHEET AS AT 31 MARCH 2015**

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
<b>Fixed Assets</b>				
Tangible assets (note 11)	5,869	6,050	5,869	6,050
Investments (notes 12-13)	2,587	2,354	2,627	2,424
Share of gross assets of joint venture company Shine Homecare (note 12)	-	13	-	13
<b>Total fixed assets</b>	<b>8,456</b>	<b>8,417</b>	<b>8,496</b>	<b>8,487</b>
<b>Current assets</b>				
Stock of goods for resale	49	39	-	-
Debtors (note 14)	318	590	471	600
Short term investments (note 15)	-	250	-	250
Cash at bank and in hand	1,323	1,331	1,166	1,273
<b>Total current assets</b>	<b>1,690</b>	<b>2,210</b>	<b>1,637</b>	<b>2,123</b>
Creditors: amounts falling due within one year (Note 16)	(364)	(432)	(351)	(415)
<b>Net current assets</b>	<b>1,326</b>	<b>1,778</b>	<b>1,286</b>	<b>1,708</b>
<b>Net assets</b>	<b>9,782</b>	<b>10,195</b>	<b>9,782</b>	<b>10,195</b>
<b>Reserves of the Charity (Note 17)</b>				
Unrestricted funds	4,464	4,716	4,464	4,716
Designated funds	5,314	5,459	5,314	5,459
Restricted funds	4	20	4	20
<b>Total funds</b>	<b>9,782</b>	<b>10,195</b>	<b>9,782</b>	<b>10,195</b>

The Accounting Policies and Notes on pages 24 to 45 form part of the Accounts

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 20 July 2015

Chairman



Charles G Toner

Treasurer



Alison Woodhams

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £'000	2014 £'000
<b>NET CASH (OUTFLOW)/ INFLOW FROM OPERATING ACTIVITIES (Note 21)</b>	(82)	701
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Payments to acquire new fixed assets	(149)	(355)
Payments to acquire new investments	(2,314)	(766)
Payments of loans to group company	(27)	-
Management of liquid resources – net receipts from investment deposits	250	70
Proceeds from the sale of investments	2,314	-
	<b>74</b>	<b>(1,051)</b>
<b>Decrease in cash in the year</b>	<b>(8)</b>	<b>(350)</b>

The Accounting Policies and Notes on pages 24 to 45 form part of the Accounts



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

### 1 ACCOUNTING POLICIES

#### A. Basis of Accounting

The accounts have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market valuation, and in accordance with the SORP "Accounting and Reporting by Charities" issued in March 2005, applicable accounting standards and the Companies Act 2006.

The Charity's wholly owned subsidiary, Hospice of St Francis Trading Limited, manages its trading activities. The consolidated statement of financial activities and balance sheet include the results of the subsidiary, consolidated on a line by line basis.

The Charity has availed itself of part 15 of the Companies Act 2006 and adapted the Companies Act formats to reflect the special nature of the Charity's activities. No separate SOFA (Statement of Financial Activities) has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

#### B. Fund Accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the Trustees for furtherance of the general objectives of the Charity, and have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the Trustees for particular purposes. At 31 March 2015, they comprised the total cost of the building, net of depreciation.

Restricted funds are funds subject to special conditions imposed by the donor or with their authority. The funds are not therefore available for work performed by the Hospice of St Francis other than that specified by the donor.

#### C. Tangible fixed assets for use by the Charity

These are capitalised if they can be used for more than one year and cost over £500. They are valued at cost or, when this is not available, estimated value on receipt.

##### Depreciation of Tangible Fixed Assets

Freehold land is not depreciated. The cost of other tangible fixed assets is written off over their expected useful lives as follows:-

Freehold Buildings	
Buildings	2% per annum straight line
Mechanical and electrical systems	5% per annum straight line
Garden constructions	20% per annum straight line
Furniture and equipment	20% per annum reducing balance
Shop fixtures & fittings	20% per annum straight line
IT equipment	33.3% per annum straight line

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015- continued

### ACCOUNTING POLICIES – continued

#### D. Investments

Investments are included at market value, except for the unquoted investments in The Hospice Lottery Partnership Ltd, the Hospice of St Francis Trading Ltd which are valued at cost. In the case of these three investments, there is no open market valuation available, and the Trustees of Hospice of St Francis (Berkhamsted) Ltd consider that the cost of obtaining such a valuation would outweigh the benefit to the users of these accounts.

The investment in Shine Homecare comprised a single share (33.3% of the company), and a loan, repayable in the medium term. For the year to 31 March 2015, the investment has been accounted for using the gross equity method. During the year, Shine Homecare's directors decided that the company would cease trading, effective from February 2015. As a result the value of the investment was written down to zero

#### E. Stocks

Stocks comprise the cost at the year end of bought in goods for sale in the Hospice of St Francis' shops. No value is placed on drugs, medical supplies or donated goods for shop sale.

#### F. Recognition of incoming resources

These are included in the Statement of Financial Activities (SoFA) when:

- The Charity becomes entitled to the resources.
- The Trustees are virtually certain they will receive the resources.
- The monetary value can be measured with sufficient reliability.

#### G. Gifts in kind

Gifts in kind are accounted for at a reasonable estimate of their value to the Charity, or the amount actually realised. Gifts in kind for the use of the Charity are included in the SoFA as incoming resources when received. Gifts in kind for sale are included in the accounts only when sold.

#### H. Donated services and facilities

These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the Charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the Charity of the service or facility received.

#### I. Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis.



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015- continued

### ACCOUNTING POLICIES – continued

#### J. Governance costs

These costs include the costs of the preparation and examination of statutory accounts, the costs of the Trustee meetings, the costs of any legal advice to Trustees on governance or constitutional matters, and a charge for the salary cost of managers for time spent on corporate governance.

#### K. Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. Staff costs have been allocated by the time spent and overheads have been allocated in accordance with staff costs.

#### L. Pension scheme

Certain nursing staff are members of the National Health Service superannuation scheme, which is a defined benefit scheme. The company is obliged to make contributions to the scheme as instructed by the NHS, but has no commitment to make good an actuarial deficit, nor entitlement to a benefit from surplus funding. Certain other employees are members of defined contribution pension schemes, the assets of which are held separately from those of the Company in independently administered funds. The company's contributions to the pension schemes are charged to the income and expenditure account as they fall due.

#### M. Leases

The Charity has no finance leases. All operating leases and rental expenses are charged to the SoFA as incurred.

#### N. VAT

The Charity and its trading subsidiary file VAT returns under a group registration. The Charity reclaims VAT on its activities using an agreed partial exemption calculation. Irrecoverable VAT in the year ended 31 March 2015 amounted to £82,000 (2014 - £48,000) and was written off during the year.

## 2 CORPORATE STATUS

The Charity is a company limited by guarantee and does not have a share capital. Its members may be required to contribute a sum not exceeding £2 each in the event of the winding-up of the company. The company is a registered charity.

## 3 TAXATION

Hospice of St Francis (Berkhamsted) Ltd is a registered charity and is thus exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects. No tax charges have arisen during the year ended 31 March 2015.



**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015- continued**

**TAXATION – continued**

Hospice of St Francis Trading Ltd has arranged to transfer its profits to Hospice of St Francis (Berkhamsted) Ltd under the Gift Aid rules. As a result of this agreement, it has no taxable profits, and no tax is payable for the year ending 31 March 2015.

**4 ANALYSIS OF INCOMING RESOURCES**

**4 (A) VOLUNTARY INCOME**

	Unrestricted Funds £'000	Restricted Income funds £'000	Total 2015 £'000	Total 2014 £'000
Memorial register	287	-	287	300
Donations from individuals and companies	1,517	17	1,534	1,359
Trusts	54	23	77	99
Grant received from The Department of Health	-	-	-	261
Donations received through the retail gift aid scheme	399	-	399	310
Collecting boxes	67	-	67	67
Lottery	182	-	182	142
<b>Total voluntary income</b>	<b>2,506</b>	<b>40</b>	<b>2,546</b>	<b>2,538</b>
<b>Legacies</b>	<b>404</b>	<b>-</b>	<b>404</b>	<b>1,276</b>

**4 (B) ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted Funds £'000	Restricted Income funds £'000	Total 2015 £'000	Total 2014 £'000
Fundraising events	190	-	190	161
Providing goods and services, other than for the benefit of the charity's beneficiaries	43	-	43	35
Letting property held primarily for the functional use of the charity	2	-	2	4
<b>Total activities for generating funds</b>	<b>235</b>	<b>-</b>	<b>235</b>	<b>200</b>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015- continued

4 (C) RETAIL ACTIVITIES

	Unrestricted Funds £'000	Restricted Income funds £'000	Total 2015 £'000	Total 2014 £'000
Shop sales	1,544	-	1,544	1,439
<b>Total retail income</b>	<b>1,544</b>	<b>-</b>	<b>1,544</b>	<b>1,439</b>

**Trading operations**

HOSF owns 100% of Hospice of St Francis Trading Ltd (Trading) and exercises control over this company by means of a close working relationship, common management and an operating agreement. Trading manages the sale of goods through the Charity's shops and at certain fundraising events. All activities have been consolidated on a line by line basis in the consolidated statement of financial activities. An amount equal to the taxable income is gifted to the Charity within the provisions of Gift Aid. A summary of the results of Hospice of St Francis Trading Limited is shown in note 4 (D).

The contribution to funds provided by HOSF's trading activity is analysed as follows:

	Total 2015 £'000	Total 2014 £'000
Retail income	1,544	1,439
Gift aided donations through the shops (including gift aid)	399	311
<b>Total income</b>	<b>1,943</b>	<b>1,750</b>
Retail costs	(1,698)	(1,539)
<b>Contribution made by retail operations</b>	<b>245</b>	<b>211</b>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015- continued**

**4 (D) INCOME REPORTED BY SUBSIDIARY COMPANY**

The results reported in Hospice of St Francis Trading Ltd, a limited company registered in England and Wales, can be analysed as follows:

	31 March 2015	31 March 2014
	£'000	£'000
Turnover	456	414
Cost of sales	(175)	(164)
Operating costs	(166)	(168)
Amounts donated to Hospice of St Francis (Berkhamsted Ltd) under the Gift Aid scheme	(115)	(82)
<b>Retained in Hospice of St Francis Trading Ltd</b>	<b>-</b>	<b>-</b>

The turnover insofar as this represents sales to third parties, is consolidated with the turnover of the charity shops and included in the retail income line on the SOFA (page 21). Included within 2015 turnover above is £73,000 of commission income, payable by the Charity to the Hospice of St Francis Trading Ltd, and which covers the agreed commission on sales of goods in the shops. This income is eliminated on consolidation.

The cost of sales and the operating costs are also consolidated, and included in the retail costs line in the SOFA.



**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015- continued**

**4 (E) SHARE OF INCOMING RESOURCES FROM JOINT VENTURE**

	Unrestricted Funds £'000	Restricted Income funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Share of incoming resources from joint venture</b>	<b>69</b>	<b>-</b>	<b>69</b>	<b>69</b>

The Charity owns 33.3% of Shine Homecare Ltd, a domiciliary care agency based in Watford, Hertfordshire. This company was set up as a joint venture between three Hertfordshire Hospices, Hospice of St Francis, Rennie Grove Hospice Care and Peace Hospice, and started trading in December 2012. The three hospices exercised control over this company by appointing two directors each to the company Board. The company ceased trading in February 2015 and the investment value has therefore been written down to zero.

The results of Shine Homecare Ltd to 31 March 2015 have been incorporated in the consolidated accounts using the gross equity method.

Each of the founding hospices had one share in Shine Homecare Ltd, and also made loans to the company, which were to be repaid out of future profits. As the company ceased trading in February 2015, the loans have been written off.

<b>Shine Homecare results</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
	£'000	£'000
Sales of domiciliary care services	206	206
Operating costs	(322)	(333)
<b>Retained Losses</b>	<b>(116)</b>	<b>(127)</b>

<b>Shine Homecare - Hospice of St Francis share in results</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
	£'000	£'000
Sales of domiciliary care services	69	69
Operating costs	(109)	(111)
<b>Retained Losses</b>	<b>(40)</b>	<b>(42)</b>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015- continued

4 (F) INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Income funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Total investment income</b>	<b>9</b>	<b>-</b>	<b>9</b>	<b>23</b>

4 (G) INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Income Funds £'000	Total 2015 £'000	Total 2014 £'000
<b>NHS Income for service provision</b>				
Hertfordshire	-	660	660	701
Buckinghamshire	-	88	88	101
<b>Total NHS Income for service provision</b>	<b>-</b>	<b>748</b>	<b>748</b>	<b>802</b>
<b>NHS Income for specific projects</b>				
Watford General Hospital	-	37	37	33
East of England ABC Project	-	45	45	36
East of England GP project	-	-	-	3
Kilfillan Nursing Home	-	28	28	28
Other	-	-	-	(1)
<b>Total income from the NHS</b>	<b>-</b>	<b>858</b>	<b>858</b>	<b>901</b>
<b>Charitable income from other sources</b>				
Service contracts	-	10	10	10
Grants from Hospice UK	-	-	-	3
Grants from Macmillan Cancer Support	-	53	53	59
Grant from BBC Children in Need	-	27	27	33
Grant from Prostate Cancer UK	-	53	53	-
Grant from The Henry Smith Charity	-	31	31	31
Grant from The St. James's Place Foundation	-	33	33	-
Other income	13	31	44	20
<b>Total income from charitable activities</b>	<b>13</b>	<b>1,096</b>	<b>1,109</b>	<b>1,057</b>

Further details relating to restricted income are included in Note 17.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015- continued

5 ANALYSIS OF RESOURCES EXPENDED

	Activities undertaken directly £'000	Support costs £'000	Total 2015 £'000	Total 2014 <sup>5</sup> £'000
Costs of generating voluntary income	458	14	472	422
Costs of activities for generating funds	399	8	407	365
Cost of retail activities	<u>1,663</u>	<u>35</u>	<u>1,698</u>	<u>1,539</u>
	<b>2,520</b>	<b>57</b>	<b>2,577</b>	<b>2,326</b>
<b>Charitable activities</b>				
Inpatient Unit	2,190	101	2,291	2,263
Community	611	36	647	535
Outpatients (Spring Centre)	413	49	462	335
Bereavement (Spring Centre)	126	11	137	138
Hospital	82	3	85	56
Education	<u>170</u>	<u>17</u>	<u>187</u>	<u>190</u>
	<b>3,592</b>	<b>217</b>	<b>3,809</b>	<b>3,517</b>
<b>Governance costs</b>	67	-	67	66
<b>Total</b>	<b>6,179</b>	<b>274</b>	<b>6,453</b>	<b>5,909</b>

Shared clinical costs have been allocated according to a formula which reflects the Hospice's best assessment of activity levels in the different services offered. We have changed the way in which the formula is applied in 2014/15, and have restated the figures for 2013/14 on the same basis.

6 SUPPORT COSTS

	2015 £'000	2014 £'000
Administration and HR costs	250	171
Legal and professional fees	24	21
<b>Total</b>	<b>274</b>	<b>192</b>

Support costs are those costs which are necessary to deliver an activity, but which do not, in themselves, constitute the output of a charitable activity. They include central office functions such as general management, payroll administration, budgeting and accounting, information technology, human resources and financing.

<sup>5</sup> 2013/14 figures are restated for comparison purposes



**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015- continued**

All support costs are allocated in accordance with estimated activity in each operational area.

Governance costs comprise the following:

<b>Governance costs</b>	<b>2015</b>	<b>2014</b>
	£'000	£'000
External Audit	12	12
Other Advice	2	3
Salaries	52	48
Other Costs	1	3
<b>Total</b>	<b>67</b>	<b>66</b>

**7 STAFF NUMBERS AND EMOLUMENTS**

	<b>2015</b>	<b>2014</b>
	£'000	£'000
Gross wages and salaries	3,486	3,238
Employer's national insurance costs	276	256
Employers' pension costs	293	269
<b>Total Payroll costs</b>	<b>4,055</b>	<b>3,763</b>

<b>Average number of full time equivalent employees in the year, excluding bank staff</b>	<b>Number</b>	<b>Number</b>
Charitable activities	64.7	61.7
Fundraising and retail	37.7	40.7
Support services	15.0	13.1
<b>Average number of staff</b>	<b>117.4</b>	<b>115.5</b>
<b>Higher paid employees</b>	<b>Number</b>	<b>Number</b>
<b>Gross salary in the range</b>		
£80,001 to £90,000	2	1
£100,000 to £110,000	-	1

**8 TRUSTEES' EMOLUMENTS AND REIMBURSED EXPENSES**

The Trustees received no emoluments for their services during the year ended 31 March 2015 (2014: nil). The Hospice paid expenses for one Trustee during the year, totalling £110 (2014: £300) to cover travel and conference expenses.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015- continued

9 GAINS AND LOSSES ON INVESTMENTS

	Unrestricted Funds	Restricted Income funds	Total 2015	Total 2014
	£'000	£'000	£'000	£'000
Realised gains on investment assets	47	-	47	-
Unrealised gains on investment assets	186	-	186	132
<b>Total gains on investment assets</b>	<b>233</b>	<b>-</b>	<b>233</b>	<b>132</b>

The above gains do not include the losses arising from the Investment in Shine Homecare Ltd.

10 NET MOVEMENT IN FUNDS

The net movement in funds is arrived at after charging / (crediting):

	2015	2014
	£'000	£'000
Depreciation of fixed assets	330	290
Auditors' remuneration	12	12
Other amounts paid to the auditors	2	3
Operating lease rental: land and buildings	246	244
Operating lease rental: equipment	10	10

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015- continued

11 TANGIBLE FIXED ASSETS  
Group and Charity

	Freehold land and buildings £'000	Furniture and equipment £'000	Shops' fixtures and fittings £'000	Total £'000
<b>Cost</b>				
At 1 April 2014	6,493	1,021	201	7,715
Additions	-	146	3	149
Disposals	(2)	(-)	(26)	(28)
<b>At 31 March 2015</b>	<b>6,491</b>	<b>1,167</b>	<b>178</b>	<b>7,836</b>
<b>Depreciation</b>				
At 1 April 2014	1,033	582	50	1,665
Charge for the year	146	121	63	330
On disposals	(2)	(-)	(26)	(28)
<b>At 31 March 2015</b>	<b>1,177</b>	<b>703</b>	<b>87</b>	<b>1,967</b>
<b>Net book value</b>				
<b>At 31 March 2014</b>	<b>5,460</b>	<b>439</b>	<b>151</b>	<b>6,050</b>
<b>At 31 March 2015</b>	<b>5,314</b>	<b>464</b>	<b>91</b>	<b>5,869</b>

Included in freehold land and buildings is land valued at £601,000 (2014: £601,000), which is not depreciated.



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 - continued

12 FIXED ASSET INVESTMENTS

Group	2015 £'000	2014 £'000
<b>Unlisted investments</b>		
The Hospice Lottery Partnership Ltd	85	85
Shine Homecare Ltd	-	13
<b>Total unlisted investments</b>	<b>85</b>	<b>98</b>
<b>Listed investments</b>		
Barclays Wealth Global Beta Portfolio 3	-	1,734
Barclays Wealth Global Beta Portfolio 5	-	363
Aviva Property Trust	-	172
iShares V PLC – iShares MSCI	1,233	-
Jupiter Global Fund	483	-
PIMCO funds	482	-
M&G Property Portfolio Shares	304	-
<b>Total listed investments at market value</b>	<b>2,502</b>	<b>2,269</b>
<b>Total Investments</b>	<b>2,587</b>	<b>2,367</b>
<b>Listed investments at historic cost</b>	<b>2,315</b>	<b>1,950</b>
<b>Charity</b>		
	2015 £'000	2014 £'000
Total Group investments	2,587	2,354
Investment in Hospice of St Francis Trading Ltd	40	70
<b>Total investments</b>	<b>2,627</b>	<b>2,424</b>

During the year ended 31 March 2015, the Hospice reassessed its investment portfolio. This review resulted in the sale of existing investments and the reinvestment of the proceeds.

Included within fixed asset investments are:

- 40,000 shares (100%) (2014 – 70,000 shares 100%) in Hospice of St Francis Trading Ltd – see note 4C and note 25. In April 2014, Hospice of St Francis Trading reduced its capital from £70,000 to £40,000.
- 14 shares (16.67%) (2014 – 14 shares 16.67%) in The Hospice Lottery Partnership Ltd.
- 1 share (33.3%) (2014 – 1 share) in Shine Homecare Ltd - see note 4E.

These investments are included at cost in the Charity accounts, and the investments in The Hospice Lottery Partnership and Shine Homecare are included at cost in the consolidated accounts. There is no open market valuation available for any of these investments, and the Trustees of the Hospice of

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015- continued**

St Francis consider that the cost of obtaining such valuations would outweigh the benefit to the users of these accounts.

The management accounts of The Hospice Lottery Partnership Ltd at 31 March 2015 show income for the year of £1,861,000, charitable donations of £1,092,000, and retained profits at 31 March 2015 of £3,000.

**13 ANALYSIS OF MOVEMENTS IN FIXED ASSET INVESTMENTS**

<b>Group</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Carrying value of investments at 1 April 2014	2,354	1,775
Additions to investments at cost	2,314	517
Disposals of investments at carrying value	(2,314)	(70)
Net gain/(loss) on revaluation	233	132
<b>Carrying value at 31 March 2015</b>	<b>2,587</b>	<b>2,354</b>
<b>Charity</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Carrying value of investments at 1 April 2014	2,424	1,845
Additions to investments at cost	2,314	517
Disposals of investments at carrying value	(2,344)	(70)
Net gain/(loss) on revaluation	233	132
<b>Carrying value at 31 March 2015</b>	<b>2,627</b>	<b>2,424</b>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 – continued**

**14 DEBTORS**

**Group**

	2015	2014
	£'000	£'000
Taxation recoverable	45	58
Other debtors	54	55
Prepayments	168	154
Accrued income	51	323
<b>Total</b>	<b>318</b>	<b>590</b>

**Charity**

	2015	2014
	£'000	£'000
Taxation recoverable	45	58
Amounts owed by group companies	161	19
Other debtors	54	55
Prepayments	160	145
Accrued income	51	323
<b>Total</b>	<b>471</b>	<b>600</b>

Taxation recoverable comprises Gift Aid tax recovery and VAT.

**15 CURRENT ASSET INVESTMENTS**

<b>Group and Charity</b>	<b>2015</b>	<b>2014</b>
	£'000	£'000
Fixed term bank deposits	-	250
<b>Total</b>	<b>-</b>	<b>250</b>

**ANALYSIS OF MOVEMENTS IN CURRENT ASSET INVESTMENTS**

**Group and charity**

	2015	2014
	£'000	£'000
Carrying value of investments at 1 April 2014	250	-
Additions to investments at cost	-	250
Disposals at carrying value	(250)	-
<b>Carrying value at 31 March 2015</b>	<b>-</b>	<b>250</b>



**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 – continued**

**16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**  
**Group**

	2015	2014
	£'000	£'000
Taxation and social security	81	82
Other creditors	199	178
Deferred income	64	83
Accruals	20	89
<b>Total</b>	<b>364</b>	<b>432</b>

**Charity**

	2015	2014
	£'000	£'000
Taxation and social security	81	75
Other creditors	186	171
Deferred income	64	83
Accruals	20	86
<b>Total</b>	<b>351</b>	<b>415</b>

Included within other creditors is an amount outstanding at the year-end of £17,327 (2014: £16,290) relating to the defined contribution pension scheme and £18,038 (2014: £15,685) relating to the defined benefit pension scheme.

**17 FUNDS**  
**UNRESTRICTED FUNDS**  
**Group and Charity**

	General reserves	Designated reserves	Total unrestricted reserves
	£'000	£'000	£'000
At 1 April 2014	4,716	5,459	10,175
Incoming resources	4,711	-	4,711
Outgoing resources	(5,155)	(146)	(5,301)
Results of joint venture	(40)	-	(40)
Gains on investment assets	233	-	233
<b>At 31 March 2015</b>	<b>4,465</b>	<b>5,313</b>	<b>9,778</b>

**Designated fund**

The designated fund comprises the net book value of the building from which the Hospice of St Francis operates. It has been segregated from unrestricted funds to give a clearer picture of the assets of the Hospice. The costs assigned to this fund equal the depreciation of the building: thus over the life of the building, the value of this fund will be reduced to zero.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 - continued

RESTRICTED FUNDS

	At 1 April 2014	Incoming resources	Outgoing resources	At 31 March 2015
Group and charity	£'000	£'000	£'000	£'000
Restricted Donations	20	40	(58)	2
Herts Valleys CCG grants	-	665	(665)	-
Chilterns CCG grants	-	88	(88)	-
Macmillan Cancer Support grants	-	53	(53)	-
Prostate Cancer UK	-	53	(53)	-
Hertfordshire County Council and Herts Valleys CCG - ABC Nursing Home education project	-	45	(45)	-
Watford General Hospital	-	37	(37)	-
The St James's Place Foundation	-	33	(33)	-
The Henry Smith Charity	-	31	(31)	-
Herts Valleys CCG nursing home medical cover	-	28	(28)	-
BBC Children in Need grant	-	27	(25)	2
Peace Hospice – Joint Director of Education	-	11	(11)	-
Rennie Grove Hospice Care – medical cover	-	10	(10)	-
Receipts for placements for clinical staff	-	8	(8)	-
University College London	-	7	(7)	-
<b>Total Restricted funds</b>	<b>20</b>	<b>1,136</b>	<b>(1,152)</b>	<b>4</b>

**Restricted funds**

The restricted funds at 31 March 2015 comprise the assets which have been donated to the Hospice for a restricted purpose but which have not yet been applied to that purpose.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 - continued

Restricted donations comprised voluntary income given to the Hospice to be used for a specific purpose. The Hospice segregates these funds, and matches them with expenditure when it is incurred. Transfers from restricted funds represent capital grants relating to items purchased where there is no continuing restriction as to use, and are, for this reason, transferred to unrestricted funds.

The Herts Valleys CCG grants comprised an annual grant for palliative care service provision, plus additional amounts for continued care of specific patients, the costs of drugs and dressings, and pharmacy costs.

The Chilterns CCG and Aylesbury Vale CCG grants comprise an annual grant for palliative care service provision, plus additional amounts for the care of specific patients.

The Macmillan Cancer Support grants covered the employment costs of a physiotherapist, an occupational therapist, and a rehabilitation practitioner working in the Hospice's Spring Centre for outpatients.

The Prostate Cancer UK grant funded the salary of a specialist nurse dedicated to providing advice and support to men living with prostate cancer.

Hertfordshire County Council and Herts Valleys CCG part-funded the ABC nursing home education project, which provides end of life training in Hertfordshire nursing homes.

The income from Watford General Hospital covered the salary costs of the Hospice's employed Consultant in Palliative Care to treat hospital patients.

The St. James's Place Foundation grant covered the costs of a Hospice education post based at Watford General Hospital.

The Henry Smith Charity grant covered the costs of the Hospice's home sitters service, providing support for local carers.

The Herts Valleys CCG nursing home medical cover grant contributed towards the cost of medical services to continuing care beds at a nursing home.

The BBC Children in Need grant contributed towards the costs of the children's support workers.

Peace Hospice contributed towards the salary cost of a director of education post planned to operate across Peace Hospice and Hospice of St Francis

The Rennie Grove Hospice Care payment comprised the cost to The Hospice of St Francis of supplying a medical service to Rennie Grove Hospice Care.



**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 - continued**

Placement payments were received in respect of doctors, nurses and other healthcare professionals receiving training at Hospice of St Francis.

University College London paid the Hospice for researcher services related to a project on social media and end of life care.

**18 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

	Unrestricted funds at 31 March 2015 £'000	Designated funds at 31 March 2015 £'000	Restricted funds at 31 March 2015 £'000	Total funds at 31 March 2015 £'000
Tangible fixed assets	555	5,314	-	5,869
Investments	2,587	-	-	2,587
Current Assets	1,686	-	4	1,690
Creditors falling due within one year	(364)	-	-	(364)
<b>Total</b>	<b>4,464</b>	<b>5,314</b>	<b>4</b>	<b>9,782</b>

**19 RELATED PARTIES**

During the year there were no related party transactions (2014: £1,412).

**20 FINANCIAL COMMITMENTS**

As at 31 March 2015 annual commitments under operating leases were as follows: -

Group and charity Financial commitments	2015 £'000	2014 £'000
Land and buildings: Operating leases which expire:		
-Within one year	44	38
-From two to five years	68	131
-Over five years	135	75
<b>Total land and buildings</b>	<b>247</b>	<b>244</b>
Equipment hire agreement Operating leases which expire:		
-Within one year	-	6
-From two to five years	5	4
-Over five years	5	-
<b>Total equipment</b>	<b>10</b>	<b>10</b>
<b>Total</b>	<b>257</b>	<b>254</b>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 - continued**

The operating leases relating to land and buildings comprise the leases for the shops and the warehouse. The operating leases for equipment relate to hire contracts for laundry equipment and for photocopiers.

**21 CONTINGENT LIABILITY**

In July 2015, the Hospice assigned the lease relating to its Southdown shop. The Hospice's lease runs until June 2021, and the Hospice has residual liability for the lease payments until this date. These figures are included in the disclosure in note 20. The Hospice is currently unable to quantify the value of the contingent liability.

**22 RECONCILIATION OF NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES**

Group	2015 £'000	2014 £'000
Net (outgoing) / incoming resources	(413)	714
Profit on investments	(233)	(90)
Depreciation	330	290
Write off investment in Shine Homecare Ltd	40	-
Increase in stocks	(10)	(3)
Increase in debtors	272	(342)
Increase /(decrease) in creditors	(68)	132
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(82)</b>	<b>701</b>

Cash flow from investment income is considered part of operational activities, rather than a return on investment, as the Hospice considers its investments to be an integral part of its operations.

**23 ANALYSIS OF CHANGES IN NET FUNDS**

Group	At 1 April 2014 £'000	Cashflow £'000	Other non cashflow changes £'000	At 31 March 2015 £'000
Cash at Bank and in hand	1,331	(8)	-	1,323
<b>Net Funds</b>	<b>1,331</b>	<b>(8)</b>	<b>-</b>	<b>1,323</b>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 – continued

24 RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS

	2015	2014
	£'000	£'000
Decrease in cash in period	(8)	(348)
Decrease in current asset investments	(250)	250
<b>Movement in net funds in the year</b>	<b>(258)</b>	<b>(98)</b>
<b>Opening net funds</b>	<b>1,581</b>	<b>1,679</b>
<b>Closing net funds</b>	<b>(1,323)</b>	<b>1,581</b>

25 **TRADING SUBSIDIARY:** Hospice of St Francis Trading Limited

The charity owns 100% of the 40,000 authorised and issued ordinary shares of the company Hospice of St Francis Trading Limited. The assets and liabilities of the trading subsidiary are shown below, and the trading results of the subsidiary are analysed in note 4C.

	2015	2014
	£'000	£'000
Stocks	49	39
Debtors	8	9
Cash at bank and in hand	157	56
Creditors falling due within one year	(174)	(34)
<b>Net Assets</b>	<b>40</b>	<b>70</b>
Shareholders' equity	40	70
Profit and loss account	-	-
<b>Total Shareholders' funds</b>	<b>40</b>	<b>70</b>



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 – continued

26 ANALYSIS OF STATEMENT OF FINANCIAL ACTIVITIES BETWEEN CHARITY AND TRADING SUBSIDIARY

	Trading subsidiary 2015 £'000	Charity 2015 £'000	Consolidated total 2015 £'000
<b>Incoming Resources</b>			
Voluntary funds	-	2,950	2,950
Activities for generating funds	456	1,323	1,779
Investment income	-	9	9
Incoming resources from charitable activities	-	1,109	1,109
<b>Total Incoming Resources</b>	<b>456</b>	<b>5,391</b>	<b>5,847</b>
<b>Resources Expended</b>			
Costs of generating voluntary income	-	880	880
Trading costs	341	1,357	1,698
Costs of charitable activities	-	3,809	3,809
Governance costs	-	67	67
<b>Total resources expended</b>	<b>341</b>	<b>6,113</b>	<b>6,454</b>
<b>Net operating surplus for the year</b>	<b>115</b>	<b>(722)</b>	<b>(607)</b>
Net interest in the results of the joint venture	-	(40)	(40)
Realised and unrealised gains on investments	-	233	233
<b>Consolidated total after adjustments</b>	<b>115</b>	<b>(529)</b>	<b>(414)</b>

