

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2021

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 2021

CONTENTS	Page
Chair's Report	3
Report of the Board of Trustees	
Patrons and Trustees of the charity	5
Management and advisors	6
Objectives and activities	7
2021/22 Priorities	7
Achievements and performance in 2020/21	8
Principal risks and uncertainties	11
Financial review	13
Reserves	15
Investment policy	16
Income generation approach and performance	17
Quality performance and clinical statistics	18
Patient and family stories	21
Structure, governance and management	25
Public benefit statement	25
Employees and volunteers	26
Statement of Trustees' responsibilities	27
Report of the Auditors	28
Consolidated Statement of Financial Activities	32
Balance Sheets	34
Cash Flow Statement	35
Accounting Policies	36
Notes to the Accounts	40

Tim Curry, Chair of the Board of Trustees.

I would like to thank Alison Woodhams who completed her term of office as Chair of the Board of Trustees for her leadership and Sarah Byrt for her contribution who also completed her term of office as Trustee. We welcomed four new Trustees to the Board: Juliet Mountford, Eddie Powell, Natalie Pankova and Philip Sewel each bringing new perspectives and expertise. Our congratulations to Alison Woodhams and Dr Rama Vancheeswaran who because of their standing in the local community and professional expertise made the transition from our Board of Trustees to being appointed as Patrons of The Hospice of St Francis.

The Hospice sector made a significant national contribution in 20/21. Hospice UK negotiated the commissioning of care from hospices to support the NHS during the pandemic. Our clinicians, volunteers and support staff met the capacity target set nationally for The Hospice of St Francis to guarantee support to the NHS, patients and families locally. This income, Treasury support (in retail grants and the furlough scheme), the generosity of donors and customers and a payment from our insurance policy, meant the Hospice could continue caring throughout the pandemic and without the need to call on hospice reserves.

The new ten year contract we entered into in 19/20 with Central London Community Healthcare NHS Trust (CLCH), Herts Valley Clinical Commissioning Group and Rennie Grove and Peace Hospice Care reflected a core hospice objective, to work in collaboration with other providers. The working relationships established between all partners in the first year came into their own in the pandemic, with senior clinicians and managers meeting weekly to co-ordinate the availability of Hospice beds and care at home across South West Hertfordshire. This collaboration meant we could minimise as far as possible the impact of Covid-19 outbreaks in the first six months of 2020 when testing was not yet available. CLCH were able to share the most up to date central advice and procedures and these were rapidly cascaded by Hospice teams. As soon as testing and then vaccination became available that both these essential infection prevention and control measures were rolled out rapidly for hospice patients, staff and volunteers. We continue to build this partnership most recently by providing a touch down base for CLCH community nurses at the Hospice.

Two other areas of learning from the pandemic have informed our 21/22 objectives. The first is the important role of the Hospice of St Francis in providing care that would usually have been delivered in hospital. In collaboration with the hospitals with whom we regularly work, when out-patient care had to be suspended, our doctors and nurse prescribers gave lifesaving drug infusions, transfusions and intravenous treatments at the hospice and at home, safely and conveniently for patients. We now plan to develop our facilities and services so that we can provide this type of care routinely. The second is digital care. We have learned just how much care we can deliver well using secure digital applications to share information and to talk online. Keeping in touch, psychological support and care, and physiotherapy have all flourished using these applications. Everyone will now have the choice of care using digital applications as part of the care they receive. We are recruiting new IT support volunteers to assist patients and families in learning about these applications and provide practical support to get on-line and use them.

Tim Curry, Chair of the Board of Trustees- continued

The pandemic and the Black Lives Matter movement had a huge impact for us in our commitment to equality. Two of the changes we made before the pandemic are included in the report on equality and end of life published by Hospice UK in 2021. We are now taking a fresh look at how accessible, our care is and what changes we need to make, in order to ensure that The Hospice of St Francis is relevant to people who have the greatest risk of developing a potentially terminal illness.

This year is a crucial year for our trading and fundraising. Funding the care that local people rely on will once again depend on the generosity of our donors, supporters and customers to help us to raise 87% of the income we need. Thanks to the hard work of our volunteers and staff, our shops and our fundraising programme are Covid-Secure. We have been delighted with the response to our first events and the weeks of celebration held in June to pay tribute to all volunteers and all of our loyal supporters.

I also want to pay tribute to our staff and volunteers for their resilience, courage and determination to care for patients, families and each other throughout the pandemic.

A big "thank you" also to our donors, supporters and customers, our corporate partner network and local businesses for your loyalty and for taking part in virtual fundraising and events and shopping with us on-line and every time our shops were open.

I would like to conclude by celebrating the innovation and ingenuity that Trustees have seen at the Hospice this year culminating in The Hospice of St Francis being one of only six Charities in Hertfordshire selected to receive the High Sherriff's award.

**REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

PATRONS AND TRUSTEES OF THE CHARITY

PATRONS

Robert Voss CBE, The Lord Lieutenant of Hertfordshire
 Lady Dionne, The Countess of Verulam CG
 Sir Mike Penning, MP for Hemel Hempstead
 Jo Connell OBE DL
 Dr Vivienne Cox CBE
 Dr Ros Taylor MBE
 Dr Rama Vancheeswaran
 The Rt. Hon Gagan Mohendra, MP for South West Hertfordshire
 Dr Peter Carter OBE
 Joan Gentry
 Hilary McNair
 Charles Toner
 Alison Woodhams

BOARD OF TRUSTEES:	Membership of committees and directorships of subsidiary company
Tim Curry (Chair)	
Julia Bolsom	IG
Sarah Byrt (term of office completed December 2020)	CA, IG
Lynne Hunt	FaR, CA
Tracy Moores*	IG, CG
Juliet Mountford (appointed December 2020)	CA
Natalie Pankova (appointed October 2020)	FaR, CG
Massimo Petronio	CA, FaR
Eddie Powell (appointed October 2020)	CA, IG
Shailen Rao*	CG, IG
Hannah Richardson	IG, FaR
Margaret Salmon (Deputy Chair)	FaR, CG, CA
Kathryn Magson (appointed July 2021)	CG
Philip Sewell (appointed October 2020)	IG
Tim Symington (Treasurer)	CA, FaR
Dr. Rama Vancheeswaran (resigned May 2021)	CG
Alison Woodhams (Chair) (term of office completed September 2020)	

Key to committee membership:

Board Committees

Income Generation (IG)

Clinical Governance (CG)

Finance and Resources (FaR)

Corporate Audit, Risk and Governance (CA)

Subsidiary Company *Director of Hospice of St Francis Trading Ltd (T)

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

HOSPICE MANAGEMENT AND DETAILS OF ADVISORS

CHIEF EXECUTIVE OFFICER:	Kate Phipps-Wiltshire
EXECUTIVE TEAM:	Dr Sharon Chadwick (Medical Director & Deputy CEO) Sarah Coles (Director of Sustainable Trading) Fay Richardson (Director of Care) Kimberley McLaughlin (Director of Wellbeing and Family Support) Angela Proctor (People Director) Fiona Watson, Lucy Hume, Kate Grigg (Joint Fundraising Directors) Sharon White (Director of Finance & Performance)
REGISTERED OFFICE:	Hospice of St Francis Spring Garden Lane Berkhamsted Hertfordshire HP4 3GW
COMPANY REGISTRATION NUMBER	01507474 Registered in England and Wales
CHARITY REGISTRATION NUMBER	280825
Telephone:	01442 869550
Website:	www.stfrancis.org.uk
Email:	info@stfrancis.org.uk
Facebook:	facebook.com/thehospiceofstfrancis
Twitter:	@hospicstfrancis
Instagram:	@hospicestfrancis
AUDITORS:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
BANKERS:	Lloyds Bank PLC 205 High Street Berkhamsted Hertfordshire HP4 1AP
SOLICITORS:	SA Law 60 London Road St Albans Hertfordshire AL1 1NG
INVESTMENT ADVISOR:	Barclays Wealth, London 1 Churchill Place London E14 5HP

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
 (Company limited by guarantee)

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Hospice of St Francis objectives

The Hospice of St Francis vision is:

A community where people with life-limiting illnesses live well until the end of their lives and their families receive the support they require.

Our mission in our articles of association is:

- *To achieve our vision by providing excellent care and support to patients and those close to them*
- *To share expertise through collaboration, innovation and education*
- *To sufficiently engage the support of our community to enable us to deliver our vision and mission.*

The stated aims of the charity being:

- To transform the quality of life for people living with life-limiting illnesses and provide support for those close to them;
- To ensure high quality provision of care through education and research;
- To sustain and expand our services through excellent financial management and governance;
- To continually improve efficiency and effectiveness.

The Board has worked to four strategic objectives since 2018/19. We include a summary in the audit report of aims and objectives for the following year. Those four objectives and the key actions for 21/22 are:

- Quality and Safety:** To be an outstanding hospice in all aspects of our operation
Financial: Recurrent financial balance by optimising income and controlling expenditure
People: To increase the ratio of staff to volunteers from 1:5 to 1:10
Responsiveness: To double the reach of our care by 2028

Strategic aims	Summary of key actions in 2020/21	Pandemic Impact
To be an outstanding Hospice	• Integrated single consent policy	Deferred
	• Deliver key aspects of the Diversity Plan	Partially delivered
	• Scope our ambitions for medicines and pharmacy to extend our service	Delivered
	• Capture & market total value proposition for employees including new 'user friendly' performance review documentation and clinical supervision	Partially delivered
	• Deliver Research, Education and Training plan	Delivered
To control expenditure and optimise income	• Put together the business case for a cardiac and respiratory team	Deferred
	• Comprehensive on-line strategy for the organisation Phase 1 – scope the project and create a project initiation document	Partially delivered
	• Compelling appeal(s)	Delivered
To grow the ratio of volunteers to staff	• Focused major donor matched funding campaign	Deferred
	• To develop a comprehensive blended workforce plan (employed staff and volunteers) that integrates approved volunteer and diversity strategy targets	Deferred
Double our capacity to care by 2028	• An integrated community team	Partially delivered
	• Increased website functionality- for patients, professionals and commercially	Partially delivered
	• Adjust recruitment and training for new volunteers proactively to maintain and develop operational capacity	Revised
	• Develop detailed plans to be enacted in 2021 for carers referral and recruitment of re-enablement volunteers	Partially delivered

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance in 2020/21

In March 2020 the Board reviewed the aims and key actions originally agreed for 2021. They were replaced with a business continuity and crisis management plan in response to the pandemic. Whilst some of the original objectives by necessity were deferred, they were replaced by a breadth of new objectives to ensure the safe and effective operation of the Hospice. Significant achievements included:

- The transformation of the way we were able to deliver care which meant
 - 8,720 support and care calls by telephone or digital application to patients and carers
 - 2,925 home visits to care for patients at home
 - 1000 deliveries in lockdown one and two of food and essential supplies to patients and families
 - 838 new referrals of patients and families in addition to the 940 people receiving care at the start of the pandemic
 - 201 people had an in-patient stay at the Hospice, where visiting at the end of life for families and patients was protected throughout
 - 108 new volunteers joined our team in our shops and in the support of our care
- The flexibility and resourcefulness of our gardening team to ensure our grounds and gardens continued to be a sanctuary throughout the year
- The transition within 48 hours to move psychological care on-line
- The development and delivery of physiotherapy programmes on-line
- The review and expansion of bereavement support and care
- The transition to deliver all corporate functions, including board and committee meetings remotely
- Two successful tenders for two different major supply functions, IT and pharmacy
- The generosity of volunteers to take on new and different roles to support the care team
- Procurement of all personal protective equipment before national the supply routes came on stream
- Antibody testing to increase staff confidence before lateral flow and PCR testing was available
- The transition within 48 hours to move all statutory and mandatory training online and deliver new and bespoke training in house and externally for NHS staff to support them during the pandemic
- Workforce surveys at 12 week intervals as part of our well-being and resilience programme and a weekly on-line link up to keep staff working remotely, at the hospice and those furloughed connected
- Our most successful fundraising appeals ever (on-line and surface-mail)
- The dedication of trading staff and volunteers to professionally open and close our stores and get donations and sales flowing each time the national restrictions allowed
- The opening of a new shop between lockdowns that went on to exceed the income target in the year one business plan and development of our on-line trading capability
- The procurement and 'go live' of three eco-pods to provide new Covid-Secure spaces

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance in 2020/21 – (continued)

Strategic Objective	Actions (aims) for 2020/21	Progress to date
To be an outstanding Hospice	<ul style="list-style-type: none"> • Re-start CQC preparedness programme • Meet externally set (HUK/NHSE) capacity targets • Deliver Disclosure and Barring Scheme action plan • Replace whistleblowing with freedom to speak up • Focus on staff wellness, including occupational health & respond to Staff Survey feedback • Progress plans for bereavement support • Deliver CV-19 PPE and vaccinations • Deliver medical workforce plan • Scope our ambitions for medicines and pharmacy to extend and develop our medicines service • Deliver key aspects of the Diversity Plan • New 'user friendly' performance review documentation • Deliver Research, Education and Training plan including access planet training software • In-year capital plan to permanently meet water quality standards, • Address hard and soft facilities assessed at high risk/major impact of failure) • Maple project goes ahead allowing time to secure trust and grant funding for the remaining proportion) 	<ul style="list-style-type: none"> • Completed including successful completion of three transitional monitoring meetings • Completed • Completed (CARGO approved in February) • Reported to clinical governance committee Nov 2020 on resilience and well-being programme • Service improvements identified in 19/20 have been delivered with capacity for CV-19 response • Achieved, including anti-body testing, lateral flow testing, outbreak compliance and L1 review • Completed with the recruitment of Dr Shah • Completed successful tender for new supplier. Service development work linked specifically to the pandemic • Partial delivery with recruitment of new Trustees and updated statement of intent • Completed • Completed. Education and training delivered an extensive programme on line including bespoke training for the NHS • Turbidity filter commissioned • Complete review of pipe situation including cold water with new solutions commissioned • Focus changed to addressing CV-19 secure standards • Rank Foundation/HUK grant secured • Capital works deferred due to pandemic

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
 (Company limited by guarantee)

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance in 2020/21 – (continued)

Strategic Objective	Actions for 2020/21	Progress at outturn
To control expenditure and optimise income (to replace to proactively manage our income)	<ul style="list-style-type: none"> • Sign off a reforecast budget at the May Board • Review of reserves • Bring forward completion of 21/24 budget • Deliver IT retender 	<ul style="list-style-type: none"> • Completed • Completed • Completed • Completed. Riverlite appointed and on-boarded
	<ul style="list-style-type: none"> • Comprehensive on-line strategy for the organisation as a whole with workstreams and supporting business case 	<ul style="list-style-type: none"> • Partial delivery. Digital applications in clinical care embedded. Increased use of digital channels for all communication and fundraising • Specification completed for improved website functionality ready for tender Q1 21/22
	<ul style="list-style-type: none"> • Deliver restructure in central trading team • Open the bookshop • Deliver new NHS activity 	<ul style="list-style-type: none"> • Completed • Completed • Successful launch and hosting of 24 out of hours advice line on behalf of partnership (CLCH/CCG/Hospices)
	<ul style="list-style-type: none"> • Compelling appeal(s) 	<ul style="list-style-type: none"> • Integrated appeal messaging and appeal programme with segmented donor data delivered best ever results
	<ul style="list-style-type: none"> • Major Donor matched funding campaign • Kickstart community and events fundraising 	<ul style="list-style-type: none"> • Deferred • Notable successes included walk your ridgeway, challenge events and Christmas tree recycling, we also piloted social media ‘events’ and a new ‘event at home’ foodie box programme
	<ul style="list-style-type: none"> • Maximise trading between lockdowns 	<ul style="list-style-type: none"> • Notable successes in each re-opening of our shops were the processing of 22,240 bags of donations, a gift aid claim to the value of £35.5k and our Christmas trading results of almost £200k.

Strategic Objective	Actions for 2020/21	Progress at outturn
To grow the ratio of volunteers to staff	<ul style="list-style-type: none"> • To develop a comprehensive blended workforce plan (employed staff and volunteers) that integrates approved volunteer and diversity strategy targets 	Deferred. The national restrictions ‘stood down’ all volunteer roles at the hospice that could not be undertaken remotely. New roles were created to support the care of patients and 108 new volunteers were recruited in year.
Double our capacity to care by 2028	<ul style="list-style-type: none"> • An integrated community team • Increased website functionality- for patients, professionals and commercially • Adjust recruitment and training for new volunteers proactively to maintain and develop operational capacity 	Partially delivered Partially delivered The volunteer recruitment plan was reprioritised to recruit new volunteers for new roles to support operations during the pandemic, the priorities being Covid-safe clinical roles and maintaining volunteer capacity in our shops
	<ul style="list-style-type: none"> • Develop detailed plans to be enacted in 2021 for carers referral and recruitment of re-enablement volunteers 	Partially delivered

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Principal risks and uncertainties

The Board of Trustees is responsible for ensuring there are effective risk management controls in place to manage the major risks facing the Hospice. The Board of Trustees manages this responsibility through oversight of the Hospice's risk management policy and procedures.

The Hospice's risk management policy establishes a consistent way to:

- identify
- assess
- evaluate
- create action plans
- monitor
- escalate and
- report on all risks.

This framework allows management to take control of risks and the Board of Trustees to oversee the risk management process and ensure that suitable action is taken to respond to identified risks.

The process adopted by the Hospice is:

- Risks are identified at an operational level and transferred to a risk register;
- A scoring system, based on the National Patient Safety Agency (NPSA) Matrix incident scoring scale, is used to evaluate the risk;
- Where a risk is identified as significant, an action plan is designed to mitigate and manage the risk;
- The Hospice Executive Team reviews all risks and action plans monthly;
- The Board of Trustees reviews the most significant or strategic risks quarterly, and
- Formal project groups are set up for major projects, to ensure they are properly planned, managed and implemented.

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Significant risks

Risk	Management / mitigation
<p>Financial risks. The principal risks for The Hospice are liquidity risk and investment performance risk.</p>	<ul style="list-style-type: none"> • Cash flow closely managed and monitored by the Finance and Resources Committee • Investment policy managed by the Finance and Resources Committee with external advice
<p>Income generation risks. Risks to income generation due to the Covid19 pandemic affecting fundraising and retail income.</p>	<ul style="list-style-type: none"> • Ensure delivery of nationally set capacity targets for directly commissioned capacity (Hospice UK/NHS England) • Radical review of income streams and re-profiling of targets • Ensure full trading capability between lockdowns • Open new retail business as planned (subject to lockdowns) • Sustain plans to continue to diversify trading on line • Robust recovery plans
<p>Operational risks. health and safety breaches or IT incidents that could cause harm to Hospice patients, visitors, staff and volunteers.</p>	<ul style="list-style-type: none"> • Procurement plan for PPE • Proactive horizon scanning for clinical evidence • Close working with NHS partners • Resilience and well-being programme • Increased compliance standards for new IT tender • Weekly communications
<p>Reputational risks. Incidents, omissions or press coverage which damage the Hospice's reputation.</p>	<ul style="list-style-type: none"> • Emergency response plan • Increased capacity for social media monitoring
<p>Care delivery risks. Risks relating to patient experience and the Covid-19 pandemic.</p>	<ul style="list-style-type: none"> • Staff training to move on-line and be supplemented by CV-19 specific programmes • Collaboration with key NHS and Hospice partners • Compliance with transitional monitoring (CQC) • Patient surveys • Hospice policies updated and communicated
<p>Staff risks. Risks relating to recruitment and retention of staff and volunteers.</p>	<ul style="list-style-type: none"> • Support to work remotely including equipment loan • Weekly communications • Lessons learned reviews and regular workforce surveys • Well-being packs and support for staff and volunteers • Staff training to move on-line and be supplemented by CV-19 specific programmes • Staff and volunteer award scheme • Clear and accessible whistle-blowing procedures

**REPORT OF THE BOARD OF TRUSTEES
 FOR THE YEAR ENDED 31 MARCH 2021**

FINANCIAL REVIEW

This has been one of the most challenging years we have faced. The Hospice’s work is funded by a mixture of donations, income from retail activities, legacies, earned income from service delivery and grants. The pandemic required all in-person fundraising events to be cancelled for the entire year and for shops to be closed for much of the year. As a result, income from donations and retail reduced by 28% and 58% respectively as compared with 2020.

At the same time, however, the Hospice benefited from significant Government support. We received £1.1m under the National Covid Response Hospice Funding Programme (administered by Hospice UK) and £0.9m from the NHSE Capacity Grant, also administered by Hospice UK. This funding was restricted to making bed capacity available; and to provide community care for people with complex needs in the context of the Covid-19 situation, enabling acute and community hospitals to discharge all patients as soon as clinically safe to do so. The Hospice also received £0.3m by way of the government furlough scheme. In addition our investments performed strongly recording a net gain of £0.5m over the year.

Overall reserves increased by £1.6m over the period. Looking ahead, the Hospice expects to draw on reserves for at least the next 2 years, as government support is withdrawn and fundraising and retail gradually recover to pre-Covid levels.

	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Total income	6,207	6,898	7,001	9,002	7,891
Costs of income generation	2,579	2,668	2,580	2,410	2,174
Spending on charitable activities	4,626	4,525	4,252	4,341	4,635
Total reserves	8,557	8,378	8,671	10,626	12,210

Income from charitable activities was consistent with the previous year with £1.4m being recognised in 2021. This category includes NHS grants and direct payments for service delivery, as well as restricted grants from other organisations to directly support services. Trading, fundraising and retail income fell by £0.8m to £0.8m. This income comprises the sale of goods in all the Hospice shops as well as fundraising events. Where goods are donated under gift aid agreements, the income is accounted for as donations, not retail income, reflecting the legal nature of the transaction. In 2020/21 the Hospice accounted for £0.3m of gift aided donations of goods to its shops compared to £0.5m in 19/20, a fall of 44%. The lockdowns forced the shops to close for nearly eight months. With all shop staff furloughed, the central trading team worked hard throughout to find new sources of income generation as well as driving online sales. A new EPOS system was installed in the year to establish a new KPI model to drive the business forward.

Working with a new external partner we improved the way we put together and share our appeals for funds. We optimised digital and surface mail channels and we explained the impact of the pandemic on patients and families, our care and for our staff. Income from appeals alone was £74k and increase of 180% on the previous year. The Hospice also raises money through events and sponsorship, applications to grant making trusts, direct marketing, in memory giving, and other sources. Membership of the Corporate Partners Network stands at 187 members, with 1 new member joining the network.

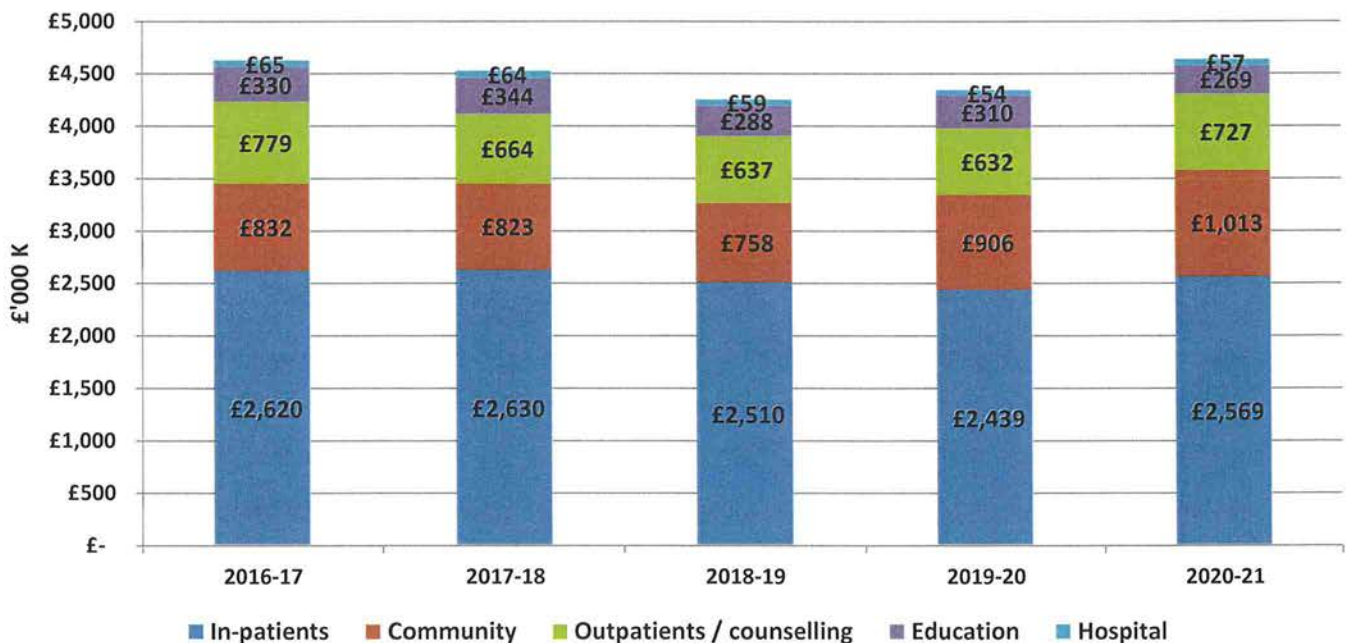
The cost of raising voluntary and fundraising income was 23% of the sums raised. The cost of generating all income, which includes retail, trading and fundraising activities fell by 9.8% to £2.2m

FINANCIAL REVIEW – continued

The Hospice continued to benefit from its work with the Hospice Lottery Partnership (HLP), a not for profit organisation which raises funds for five local hospice charities, with Directors nominated by each hospice sitting on the HLP board. HLP promotes a weekly society lottery to individuals across the shared catchment area of its hospice partners. It has robust policies in place to ensure compliance with fundraising and gambling regulation, paying particular regard to the requirement to treat vulnerable people with due care and to treat all lottery players and donors fairly.

Our total expenditure was £6.8m (2020: £6.8m) a small increase of 1% compared to the previous year. This was as a result of stringent cost control measures by budget managers and the reduction in running costs where staff were furloughed or working from home. In supporting home working we loaned equipment and increased IT support to ensure staff had the facilities and connectivity to work effectively. We spent just over £4.6m on our charitable activities in the year (2020: £4.3m). Although the intensity of contact with each person receiving care on average increased, the number of people newly referred to us fell by 23% compared to the previous year when the Hospice went into Tier 4. Referrals in the first quarter of 21/22 have already recovered to pre-pandemic levels

EXPENDITURE ON CHARITABLE ACTIVITIES



HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
 (Company limited by guarantee)

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW – continued

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 2021 to 2024 will focus on recovering and stabilising the Hospice’s financial position following the Covid-19 pandemic.

Our revised forecast (compared to 2019/20 accounts) is that it will take us until 2023/24 to returning to a balanced budget because of the duration of the pandemic.

Reserves

	2016/17	2017/18	2018/19	2019/20	2020/21
	£’000	£’000	£’000	£’000	£’000
Restricted reserves	57	113	213	263	221
Designated reserves	5,022	4,865	4,902	5,499	5,335
Unrestricted reserves	3,478	3,400	3,556	4,864	6,654
Total reserves	8,557	8,378	8,671	10,626	12,210

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 trading 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 Covid-19 pandemic is an unforeseen event therefore the Trustees plan to utilise some of these reserves during the recovery phase of the business plan to offset the short term loss of income that cannot be ameliorated by cost savings.

Designated reserves

The balance on designated reserves represents the undepreciated cost of the Hospice building as well as funds set aside by the Trustees for capital expenditure and also for a legacy equalisation fund which is to cover clinical care costs in the event of a disruption to our normal fundraising activities. The total amount designated for capital projects and the legacy equalisation fund is £506k which is expected to be spent over the next two years. The Hospice building reserves are not available for investment, or spending, unless the buildings are sold.

Unrestricted reserves

Unrestricted reserves represent the financial resources available to the Hospice to invest or to spend on Hospice services. The Board of Trustees reviews the level of reserves regularly, to ensure that the Hospice’s operations are sustainable.

The Hospice calculates the required level of reserves annually. 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 Hospice if this should be needed.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW – continued

The resulting calculation provides a minimum level of reserves required., In 2019/20, it was calculated that we required unrestricted reserves amounting to at least 9 months charitable spending which equates to £5.0m for this financial year. At 31 March 2021, the Hospice’s unrestricted reserves were £6.7m, representing approximately 12 months of charitable spending.

Investment policy

Our Treasurer led a review of our reserves policy, including a review of Trustees’ risk appetite. The outcome was a decision to slightly reduce risk, in light of the economic uncertainty associated with the pandemic, by maintaining a greater proportion of reserves in cash.

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.

Fundraising Compliance

The Hospice adheres to the Fundraising Regulator’s code of practice in its fundraising activities. The Supporter Relationships Policy outlines the approach taken by the Hospice when carrying out fundraising activities. All Fundraisers, whether employed by the charity or those acting on its behalf must comply with a set of standards that commits them to being honest and open, clear in communications with supporters, respectful, fair and reasonable and accountable. The policy sets out the behaviours expected of its fundraisers and is reviewed every two years.

The Charity follows the guidance set out in the Fundraising Regulator’s Code of Practice and pays the annual voluntary levy to the Fundraising Regulator. In the financial year there were not identified instances when the charity or anyone working on its behalf failed to comply with the fundraising standards set out in the Code of Practice.

The Charity is a shareholder in the Hospice Lottery Partnership, a private company incorporated to administer a lottery in order to raise funds for the benefits of the Shareholders. The Charity has a place on the board of the company which meets six times per year to review and monitor activities. Complaints are a standing item on the agenda. The Charity maintains a continuous dialogue with the company and discusses any complaints that are raised with regards to behaviour that is unreasonable or places undue pressure on a person to give money. The Charity seeks proof of follow up activity by the company to address this behaviour and monitors this in Board meetings.

The Charity maintains a complaints log in which it records every complaint received about fundraising activity by itself or by anyone working on its behalf. Two complaints were received from April 2020 – March 2021 both of which were resolved by the fundraising team and no further action was required.

**REPORT OF THE BOARD OF TRUSTEES
 FOR THE YEAR ENDED 31 MARCH 2021**

Income generation approach and performance

Our Director of Sustainable Trading and our Joint Directors of Fundraising together with their teams took time during the pandemic to revisit our approaches, their recommendations and prioritisation of activities were reported to Income Generation Committee for scrutiny and approval.

Key Principles and priorities:

	Trading	Fundraising
Principles	<ul style="list-style-type: none"> • Increase and grow our income to achieve our ambition to double the reach of our care • Have sustainability, eco and community at the core of our offer • Continue to innovate and push boundaries • Use our shops as key portals to raise the profile of the work the hospice does by building connectivity with the clinical teams • Extend our reach through our shops to more diverse communities • Work collaboratively with other Hospice teams to drive performance and build on past successes. 	<ul style="list-style-type: none"> • Everyone’s a Fundraiser • Retaining existing donors by getting to know them better • Engaging people who directly or indirectly experience care to become donors • Encouraging larger donations through careful stewardship • Combining channels (digital and surface mail) • Segmenting and targeting our ask • Increase and grow our income
Priorities	<ul style="list-style-type: none"> • Grow sales online and in our shops to achieve sales and profit targets • Develop online business through SFG and other online platforms to extend our reach beyond our catchment • Proactively use EPOS data to drive sales in our shops • Be alert to commercial opportunities which may arise from fall out of retail sector and move quickly • Invest in staff training to develop and retain staff and secure succession planning • Build on our success by recruiting high quality managers who can deliver our trading ambitions 	<ul style="list-style-type: none"> • Build confidence and awareness within and across the organization in being successful fundraisers • Personalised Stewardship of Supporters • Incremental Growth • Transformational Giving • Focus our attention on those income streams we can evidence as having potential for growth • Integrated social media and Communications

QUALITY PERFORMANCE AND CLINICAL STATISTICS

During February 2020 we started the process of ramping up our capability to source personal protective equipment (PPE). The support of corporate partners, local rotary clubs and the Lord Lieutenant, together with our own talented volunteers meant we were able to organise everything from scrubs to masks and aprons. Keeping stocks up until hospices were able to join the NHS supply route in June 2020. We started our programme of psychological PPE. At intervals of 12-14 weeks linked to successive lockdowns we have asked staff to tell us about their experience. We have shared the results and acted on them. Our 'wobble room', weekly updates for all staff on line, on-line well-being resources and our sound bench have all come through this process. At the end of lockdown one we conducted an audit of our response to the pandemic and made systematic improvements based on the experience of staff and the feedback from patients and families. This process of continuous learning and improvement has remained at the core of our approach.

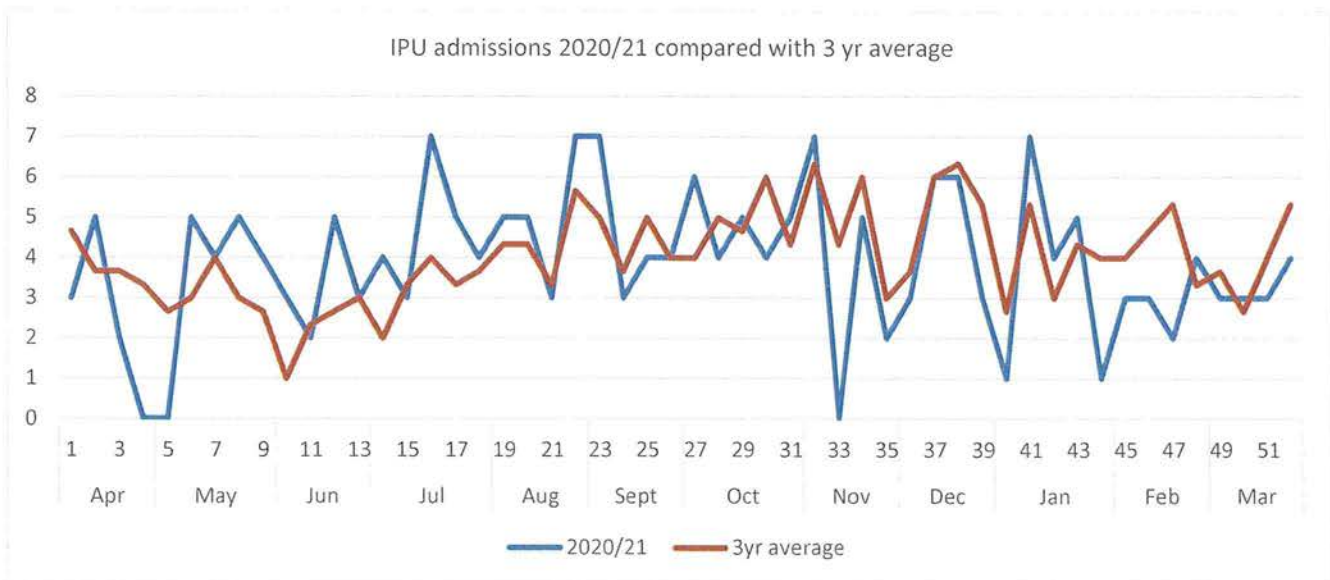
In the lead in to the 20/21 financial year, our focus in March 2020 was to relocate all staff who could work from home to make that change and, at the same time, to contact everyone we were caring for or supporting to talk about the pandemic. All of our patients were in the groups of people identified by the government as vulnerable or extremely clinically vulnerable. For many of our patients more than one person in the household was in one of these groups. In these discussions, we reviewed the care received from the Hospice and the best and safest way for that care to continue. We also discussed other practical needs like shopping and essential supplies as well as fear and anxiety about what was to come. In parallel our teams worked to reinstate the applications and remote working solutions that had been so successful during the temporary closure for the building works in the summer of 2019. We contacted volunteers too, and talked about the best ways to stay in touch, especially where volunteers were shielding. For volunteers in roles that could continue remotely we reinstated the applications and support they would need. We now know that it takes just two seconds for droplets of air and water to spread over two meters in unventilated rooms. It is shocking to remember just how hard it was when we knew asymptomatic transfer was the greatest risk to patient and staff safety but we could not test for the presence of the virus. April 2020 was perhaps our toughest month at The Hospice. Within the space of 48 hours 21 staff and three patients had symptoms of Covid-19. We had to suspend admissions for 10 days. The Hospice of St Francis belongs to its supporters. Our first social media campaign went out in May 2020. We asked our clinicians in a short film to let people know how we were adapting together with a reassuring message that patients' families and the community could continue to rely on us. We asked for donations, if people were in a position to donate to help us to continue to care.

Our longstanding partnerships with Peace and Rennie Grove and more recent partnerships with Central London Community Healthcare NHS Trust (CLCH) came into their own. From March 2020 senior clinicians and managers began meeting weekly to co-ordinate the availability of Hospice beds and care at home across South West Hertfordshire. This collaboration meant we could minimise as far as possible the impact of outbreaks. CLCH were able to share the most up to date central advice and procedures and these were rapidly cascaded by Hospice teams.

QUALITY PERFORMANCE AND CLINICAL STATISTICS continued

Through the research work of one of our Trustees (Dr Rama Vancheeswaran) we were able to offer staff antibody testing. As soon as testing and then vaccination became available, both these essential infection prevention and control measures were rolled out rapidly for hospice patients, staff and volunteers. We continue to build this partnership most recently by providing a touch down base for CLCH community nurses at the Hospice. In turn we have provided 1,556 bespoke training places online through webinars and secure chat rooms, training and supervision for our clinical colleagues at Watford and GPs.

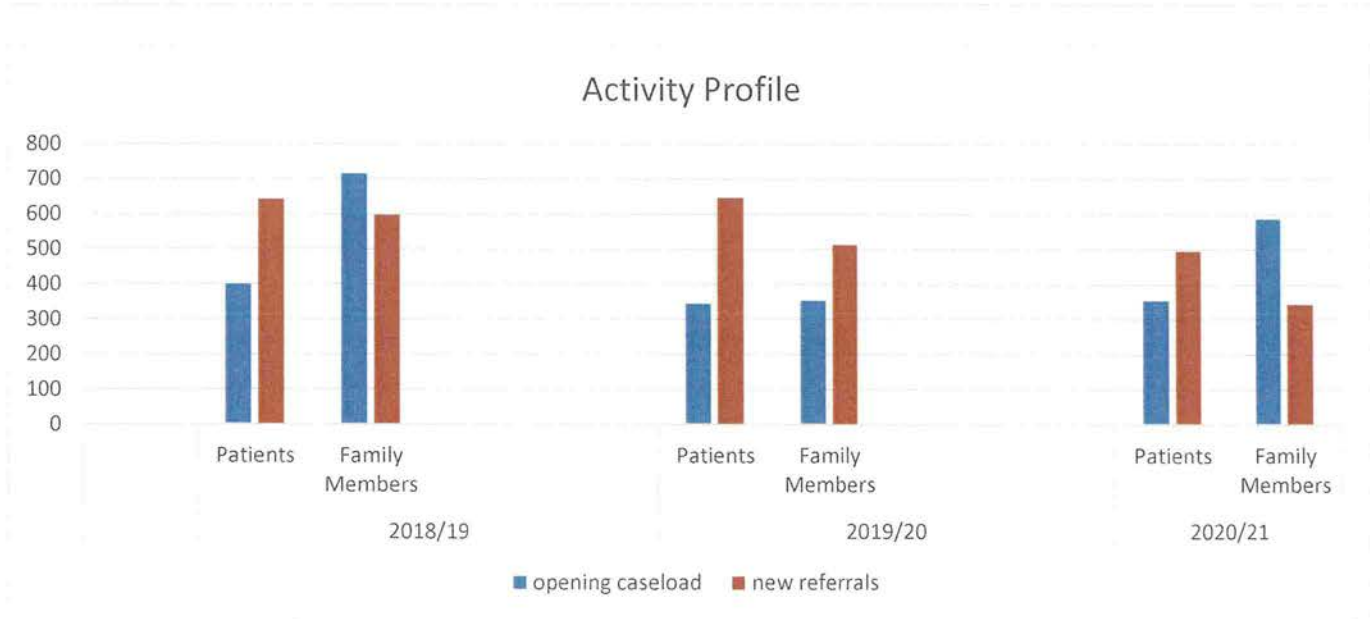
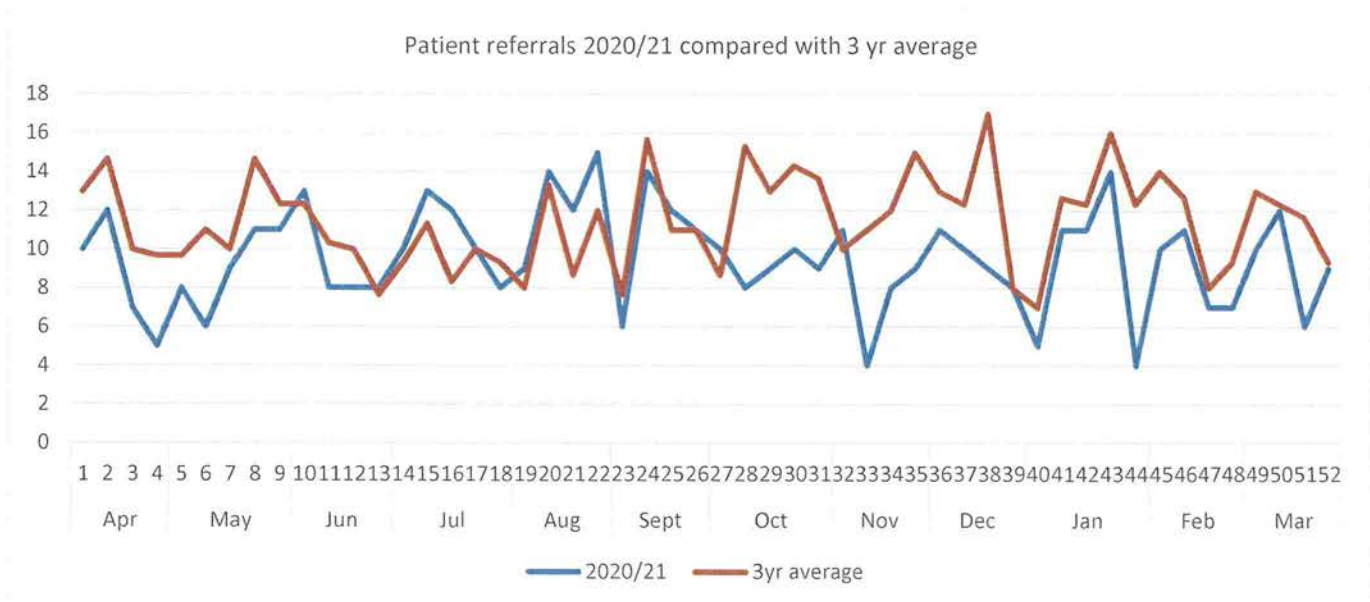
Understanding trends and monitoring capacity has been essential with every service under pressure. We have established data on a three year rolling average to use internally.



Our in-patient unit this year closely matched the three-year average. The negative variances in April correspond to the April outbreak. By November the government introduced a threshold of two or more people testing positive within the same ward in 72 hours for temporary closure. The negative variances in November and January correspond to the weeks when that threshold was met.

New patient referrals saw a negative variance when we had the outbreak in April but quickly recovered to match the three-year average. When we went into Tier 4 and then into lockdown three, we saw the greatest negative variance from the three-year average. Overall referrals fell by 23% compared to the previous year.

QUALITY PERFORMANCE AND CLINICAL STATISTICS continued



2020/21 was the first full financial year of operation for the new contract for our NHS income from Herts Valley CCG. Central London Community Healthcare holds this contract on behalf of the CCG. We have developed a new dashboard to report quality metrics in this contract.

PATIENT AND FAMILY STORIES

Michelle's Story

"It's not just love for me, but all the patients. The care and love is remarkable."

Michelle Rawlings, a 44-year-old mum of two, shared her experience following a stay on the Hospice Inpatient Unit during lockdown.

*When I was last at the Hospice I was withdrawn. In total despair. I couldn't understand how someone could live every day with a life-limiting illness. How do you wake up knowing you're dying, but still enjoy good times with family and friends? It was incomprehensible. **The Hospice staff helped give me the strength. This is your life, there are positives, and you CAN live it well.***

When I left in October I put my boots on, make-up, wig, and that was the start. Every day I got up with this attitude and continued my life and family relationships. I've been given extra time with the people I love, and they're happy I'm back to being myself and engaging with them.

Things changed when I took a chemo break. We took the difficult decision that my body couldn't handle much more of the toxic treatment, and the tumours started to grow back. The pain was so bad I just wanted to rip my leg off. It put real strain on Dean, my husband, who was having to inject my pain relief and reverted back to being my carer. I was fighting pain all the time and becoming unhappy. All I thought about was when the next pain relief would come – it was all encompassing.

After another unsuccessful round of chemo, fresh scans suggested Michelle's prognosis was devastatingly 2-3 months. It was at this point that her GP contacted Dr Sharon Chadwick at the Hospice with an update on the situation.

I had to go home and tell the children the news. They could see I was in pain. The tumour on my leg had broken through the skin and was constantly bleeding. The dressing was being changed twice daily and I couldn't sit still with the pain. The morphine wasn't stopping it, and after an attempt at a nerve block, amputation was suggested.

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021



*Sharon talked me through the options and all it took was 10 minutes. Of course I thought about it a lot and it was a scary decision, but I trusted them. The alternative was sedation and huge pain relief. Even out of work hours Sharon was thinking of me - that aspect of the care is remarkable, it's above and beyond. The amputation has saved my life. It's given me all this extra time. It was a bit of a whirlwind. We spoke on the Wednesday; at the weekend I performed a hand-tying ceremony at my sister's wedding, and by the following Wednesday I was having surgery. Almost immediately I felt brilliant. I spoke to Sharon that week and the first thing I said was 'when can I come back to the Hospice?' and she had me there three days after surgery. **I was like a completely different person – it changed my life.** Due to the pandemic restrictions I wasn't allowed visitors at the hospital (something which the Hospice are able to facilitate on a limited basis), but once my husband Dean saw me he was buzzing; 'She's Michelle again'.*

*I love it at the Hospice. **I've had times when I've been crying at 5am, missing my boys, but the nurses would sit and chat; hold my hand, and help me through it.** I share their fantastic sense of humour and we've had a great laugh. They have such challenging jobs, but they really love what they do. From the consultants, to the nurses, volunteers and gardeners, everyone has been amazing. **They really care for you. And you can't beat it. I've come away feeling so tranquil and peaceful, which is thanks to them. They've changed my life.***

Sadly, since sharing her story, Michelle passed away in autumn 2020 with the support of the Hospice. We are grateful to Michelle's family for giving permission for her story to continue being shared.

You can read Michelle's full story on our website www.stfrancis.org.uk/michelle

Pictured below, Michelle, during her first stay at the Hospice. Alongside Lulu, a member of the Hospice nursing team.



Helping James to live his precious life well

Nineteen-year-old James, who lives in Tring, had been receiving physiotherapy at the Hospice since January 2020 following his diagnosis of Leukaemia, in April 2019.

“The support from the Hospice has been great and I feel as if I’ve made really good progress this year thanks to all the help and encouragement I’ve had from my physiotherapist Priya.”



HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Prior to his illness, James was a keen sportsman playing tennis, table tennis and football. His goal was to get back to his exercise and sport as soon as possible. Priya says, “We started with a graded exercise programme, as James’ exercise tolerance was low and we built up gradually. Eight months down the line, James is now back playing tennis and running regularly. His exercise tolerance and muscle strength have really improved.”

James’ mum, Christine, adds, “The continuity of care at the Hospice has been really good. We have had Priya’s support throughout James’ time here. We were impressed with the adaptations during the lockdown period too. We started James’ sessions in the Spring Centre, then via Zoom calls at home and now we are outside in the beautiful grounds of the Hospice!”

In the winter of 2020 James completed an 8km charity run, in aid of the Hospice. Following further support he has recently been discharged from our care and is back doing what he loves. The St Francis team continue to be right here for people like James, helping them live their precious lives well.



The patients always come first

“You may have a life-limiting illness and in need of support, but there’s so much you can do – and there are people to help you achieve that.”

Mick Pascoe, 68, from Studham, has been receiving support since his diagnosis two years ago with Stage 4 prostate cancer. He explains how things changed during the Covid-19 pandemic, “I had one session at the Hospice before the lockdown started. But the support hasn’t stopped, it’s simply adapted. I’ve joined the virtual online Yoga sessions run by Priya, which have been magnificent. As I’m on slow release morphine to manage bone pain one of the nurses, Viv, regularly calls me to check how I’m managing my medication. The pain used to be relentless, like nagging toothache, but it is now under control and I always have somebody to contact when it gets worse. They are an incredible bunch of people.”

Prior to the pandemic, Mick was receiving an intravenous bone strengthening drug at Luton & Dunstable University Hospital, but this was stopped due to the lockdown. “The Hospice stepped in. They agreed to administer the drug to manage my increasing pain. I come up to the Hospice for a few hours at a time. Nothing is a problem and the patients always come first. The support of the Hospice has been unbelievable and so motivating.”

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

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 Fay Richardson, Director of Care.

Public Benefit Statement

The Charity is a Public Benefit Entity. The Trustees confirm that they have complied with their duty under section 17 of the Charities Act 2011. They have considered the public benefit guidance published by the Charity Commission and believe that they have followed it. This report provides details of the areas of charitable activity undertaken by the Charity.

Corporate Governance

The governing body of the Charity is the Board of Trustees: at 31 March 2021 there were 14 Trustees. Membership of the Board is set out on page 5 of this report.

At 31 March 2021, there were four formally constituted Board Committees, each with specific terms of reference and functions delegated by the Board. These committees, which are each chaired by a Trustee and which report to the Board, are:

- the Clinical Governance Committee
- the Corporate Audit, Risk and Governance Committee
- the Finance and Resources Committee
- the Income Generation 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 that 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 performance review meetings are carried out by the Chair and Deputy Chair at which further training and development needs are identified.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE GOVERNANCE AND MANAGEMENT – continued

EMPLOYEES AND VOLUNTEERS

Staff are appointed using value-based competency procedures. Information about the Hospice's aims and activities is 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. Our 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 2020, there were over 1,500 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.

REMUNERATION OF TRUSTEES AND STAFF

The Board considers that the Trustees, the Chief Executive, the Director of Care, the Medical Director, Director of Human Resources, Voluntary Services and Facilities, the Director of Family Support and Wellbeing and the Director of Finance and Information Technology comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis.

All Trustees give their time freely and no Trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in Note 6 to the Accounts.

The pay of the Chief Executive, the Directors and all staff is reviewed annually. The Board benchmarks against pay levels in other charities. The remuneration bench-mark is the mid-point of the range paid for similar roles in similar charities and of a similar size.

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

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 Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare Accounts 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 Accounts, 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 Accounts;
- Prepare the Accounts 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 Accounts 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.

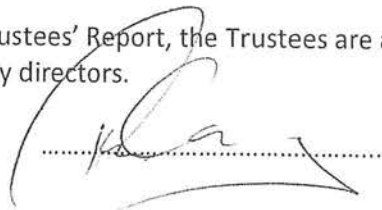
Appointment of Auditors

A proposal to re-appoint Haysmacintyre LLP 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.

Chair

Date: 5 October 2021



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Tim Curry

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

Opinion

We have audited the financial statements of Hospice of St Francis (Berkhamsted) for the year-ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustee and Strategic Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustee and Strategic Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee and Strategic Report (which incorporates the strategic report and the directors' report prepared for the purpose of company law).

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

- adequate accounting records have not been kept by the parent charitable company; 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 27, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group/charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to health and social care, notably Care Standards Act 2000 and the Care Quality Commission (CQC) (Registration) regulations 2009 and to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of estimation uncertainty and to manual accounting journals. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

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

Use of our report

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



Siobhan Holmes (Senior Statutory Auditor)

10 Queen Street Place
London
EC4R 1AG

For and on behalf of Haysmacintyre LLP, Statutory Auditor

Date: 18 October 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted Funds	Designated Funds	Restricted Income Funds	Total	Total
	Note 1E £'000	Note 1E £'000	Note 1E £'000	2021 £'000	2020 £'000
INCOME FROM (Note 2)					
Donations and legacies					
Donations	1,972	-	20	1,992	2,780
Legacies	1,058	-	-	1,058	2,582
Charitable activities					
NHS Grants for Hospice care	-	-	1,119	1,119	1,018
Other income from charitable activities	26	-	211	237	404
Other trading activities					
Trading and fundraising	179	-	-	179	157
Retail income	603	-	-	603	1,442
Other income					
NHSE Income	-	-	1,966	1,966	-
Furlough Income	-	-	294	294	-
Other Income	443	-	-	443	608
Total income	4,281	-	3,610	7,891	9,002
EXPENDITURE ON:					
Raising funds (Note 3)					
Voluntary income	390	12	52	454	454
Trading activities	249	5	8	262	367
Retail activities	1,288	-	170	1,458	1,589
	1,927	17	230	2,174	2,410
Net income available for charitable activities	2,354	(17)	3,380	5,717	6,592
Charitable activities (Note 3)					
Inpatient unit	382	84	2,103	2,569	2,439
Community	425	8	580	1,013	906
Outpatients (Spring Centre)	176	33	352	561	472
Bereavement (Spring Centre)	45	8	113	166	160
Hospital	8	-	49	57	54
Education	17	17	235	269	310
	1,053	150	3,432	4,635	4,341
Total expenditure (Note 3)					
Carried forward	2,980	167	3,662	6,809	6,751

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted Funds	Designated Funds	Restricted Income Funds	Total	Total
	£000	£000	£000	2021 £000	2020 £000
Total Expenditure brought forward	2,980	167	3,662	6,809	6,751
	1,301	(167)	(52)	1,082	2,251
Net gains on investments (Note 10)	502	-	-	502	(296)
Net income/(expenditure)	1,803	(167)	(52)	1,584	1,955
Transfers between funds	(13)	3	10	-	-
Net movement in funds	1,790	(164)	(42)	1,584	1,955
Total funds brought forward	4,864	5,499	263	10,626	8,671
Total funds carried forward	6,654	5,335	221	12,210	10,626

The accounting policies and notes on pages 36 to 58 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.

A full comparative Statement of Financial Activities for the year ended 31 March 2020 is included within note 19.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 MARCH 2021

Company Number: 1507474

	Note	Group		Charity	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible fixed assets	8	5,262	5,240	5,262	5,240
Investments	9	2,768	2,722	2,808	2,762
TOTAL FIXED ASSETS		8,030	7,962	8,070	8,002
CURRENT ASSETS					
Stocks for goods for resale		42	42	-	-
Debtors	11	2,505	2,610	2,517	2,671
Cash at bank and in hand		2,139	426	2,118	356
TOTAL CURRENT ASSETS		4,686	3,078	4,635	3,027
CREDITORS: amounts falling due within one year	12	(506)	(414)	(496)	(408)
NET CURRENT ASSETS		4,180	2,664	4,139	2,619
NET ASSETS		12,210	10,626	12,209	10,621
FUNDS					
	13/14				
Unrestricted funds		6,654	4,864	6,653	4,859
Designated funds		5,335	5,499	5,335	5,499
Restricted funds		221	263	221	263
TOTAL FUNDS		12,210	10,626	12,209	10,621

The surplus of the charity before consolidation of its subsidiary was £1,584k (2020: £1,955k).

The Accounts were approved and authorised for issue by the Board on 5 October 2021 and were signed below on its behalf by

Tim Curry
Chair

Timothy Symington
Treasurer

CONSOLIDATED CASH FLOW STATEMENT
AS AT 31 MARCH 2021

	2021	2020
	£'000	£'000
Cash flows from operating activities (Note 17)	1,466	294
Cash flows from investing activities		
Purchase of fixed assets	(264)	(589)
Proceeds from the sale of investments	511	500
Net cash invested	-	(100)
	247	(189)
Increase in cash and cash equivalents in the year	1,713	105
	426	321
Cash and cash equivalents at the beginning of the year	426	321
Cash and cash equivalents at the end of the year	2,139	426
	1,713	105
Analysis of cash and cash equivalents	2021	2020
	£'000	£'000
Cash at bank and in hand	2,139	426
Total cash and cash equivalents	2,139	426

The group and charity do not hold any debt, therefore all movements shown above relate to cash and cash equivalents.

The accounting policies and notes on pages 36 to 58 form part of the Accounts.

NOTES TO THE ACCOUNTS
AS AT 31 MARCH 2021

1 ACCOUNTING POLICIES

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

A. Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2015 (Second Edition, effective 1 January 2019)), and the Companies Act 2006.

The Hospice of St Francis (Berkhamsted) Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

B. Corporate Status

The Charity is a company limited by guarantee registered in England and Wales, 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.

C. Basis of consolidation

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. See note 18 for further details.

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.

The accounts are prepared in pounds sterling rounded to the nearest thousand.

D. Going concern

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. Public health restrictions, as a result of the Covid-19 pandemic, imposed by the UK Government required the closure of our Charity shops and restricted our ability to undertake fundraising events with consequent losses in income from trading and fundraising. We have undertaken an in-depth review of our financial position, reserves levels and future plans which has given the Trustees confidence that the charity remains a going concern for the foreseeable future.

E. 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 2021, they comprised the total cost of the building, net of depreciation, the legacy equalisation and designated capital funds.

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.

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

1 ACCOUNTING POLICIES (continued)

F. Recognition of income

Income is included in the Statement of Financial Activities (SoFA) when:

- The Charity becomes entitled to the resources.
- The Trustees consider it probable that the Charity 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 Statement of Financial Activities as income when received. Gifts in kind for sale are included in the accounts only when sold. Zero Gifts in Kind in 2021 (2020: £21k)

H. Donated services and facilities

These are included in income (with an equivalent amount in expenditure) 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.

I. Retail grants

The Charity received £114,520 (2020-£145,000) under the Government's Retail, Hospitality and Leisure Grant Fund (RHLG). The eligibility requirements for RHLG were confirmed during March 2020 and the charity considers that at this point, eligibility requirements were met and the charity was entitled to the income. This income has therefore been recognised in the financial statements for the year ended 31 March 2021, in accordance with the charity's accounting policies.

J. NHSE Grants

The Charity received £1,967,000 (2020-NIL) in funding from NHSE to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

K. Furlough income

Income from the coronavirus job retention scheme is recognised when the associated staff costs are incurred. These amounts have been included within other income in the Statement of Financial Activities. £294k in 2021 (£nil in 2020)

L. Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis.

M. Support cost

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. Governance 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. Governance costs are shown as a component of support costs.

1 ACCOUNTING POLICIES (continued)

N. Employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accruals basis and in line with FRS 102.

O. Pension scheme

A number of staff are members of the National Health Service superannuation scheme, which is a defined benefit scheme. The Charity 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. On this basis, the scheme is accounted for as a defined contribution scheme.

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 Charity's contributions to the pension schemes are charged to the income and expenditure account as they fall due.

P. 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.

Freehold land is not depreciated. The cost of 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 straight line
Shop fixtures & fittings	20% per annum straight line
IT equipment	33.3% per annum straight line

Q. Investments

Investments are included at bid price, except for the unquoted investments in The Hospice Lottery Partnership Ltd and Hospice of St Francis Trading Ltd which are valued at cost. In the case of these two 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.

Investment properties are held at fair value, being an assessment of market value. Investment properties are revalued every two years by independent professionals who hold recognised and relevant professional qualifications and have recent experience in the location and class of the investment property being valued, or more frequently if the Trustees identify indications of a material movement in the valuation.

Investments in subsidiaries are valued at cost less provision for impairment.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

R. Financial Instruments

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments including trade and other debtors and creditors, are initially recognised at transaction value and are subsequently recognised at their settlement value.

S. 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. As permitted by section 6.28 of the SORP, income for donated goods for shop resale is recognised on sales as recognition prior to this is considered to be impracticable.

T. Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

U. Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments.

V. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

W. Leases

All operating leases and rental expenses are charged to the SOFA as incurred.

X. 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 2021 amounted to £2,091 (2019 - £13,320) and was written off during the year.

Y. Taxation

Hospice of St Francis (Berkhamsted) Ltd is a registered charity and is thus exempt from tax on income and gains falling within chapter 3 of the Corporation Taxes Act 2010 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 2021.

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 2021.

Z. Estimates and Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The trustees consider depreciation, legacy income accrual and holiday pay accrual to be subject to estimation and judgement and are discussed above.

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

2. ANALYSIS OF INCOME	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Income	2021	Funds	Income	2020
	£'000	Funds	£'000	£'000	Funds	£'000
		£'000			£'000	
a) Donations and legacies						
Memorials register	368	-	368	341	-	341
Donations from individuals and companies	1,111	20	1,131	1,371	120	1,491
Trusts	-	-	-	-	205	205
Donations received through the retail gift aid scheme	254	-	254	455	-	455
Collecting boxes	22	-	22	63	-	63
Lottery	217	-	217	225	-	225
Total donations	1,972	20	1,992	2,455	325	2,780
Legacies	1,058	-	1,058	2,582	-	2,582
b) Income from other trading activities: trading and Fundraising						
Fundraising events	155	-	155	131	-	131
Providing goods and services, other than for the benefit of the charity's beneficiaries	14	-	14	25	-	25
Letting property held primarily for the functional use of the charity	10	-	10	1	-	1
Trading and fundraising	179	-	179	157	-	157
c) Income from other trading activities: retail shop sales	603	-	603	1,442	-	1,442
Total retail income	603	-	603	1,442	-	1,442

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, on-line 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 The Hospice of St Francis Trading Limited is shown in note 2d.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
 (Company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

2. ANALYSIS OF INCOME (continued)

d) The contribution to funds provided by The Hospice of St Francis's trading activity is analysed as follows:

	2021	2020
	£'000	£'000
Retail income	603	1,442
Gift aided donations through the shops (including gift aid)	254	455
Total income	857	1,897
Retail costs	1,458	1,589
Contributions made by retail operations	(601)	308

e) **Income reported by subsidiary company**

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

	2021	2020
	£'000	£'000
Turnover	224	415
Cost of sales	(77)	(151)
Operating costs	(111)	(114)
Amounts donated to Hospice of St Francis (Berkhamsted) Ltd under the Gift Aid scheme	(36)	(150)
Retained in the Hospice of St Francis Trading Ltd	-	-

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 32). Included within 2021 turnover above is £34,784 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.

Profits of the Hospice of St Francis (Trading) Ltd are donated to the parent charity under the gift aid scheme. A deed of covenant is in place between the two entities.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

f) Income from Charitable Activities

	Unrestricted Funds £'000	Restricted Income Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Income Funds £'000	Total 2020 £'000
Investment income	-	-	-	11	-	11
Total investment income	-	-	-	11	-	11
<hr/>						
Income from charitable activities						
NHS income for service provision						
Hertfordshire	-	155	155	-	587	587
Central London Community Healthcare NHS Trust	-	912	912	-	345	345
Hillingdon	-	-	-	-	2	2
Buckinghamshire	-	52	52	-	83	83
Total NHS Income for service provision	-	1,119	1,119	-	1,017	1,017
NHS income for specific projects						
Watford General Hospital	-	49	49	-	45	45
Hertfordshire Community Cardiology Consultant	-	1	1	-	3	3
Total NHS income for specific projects	-	50	50	-	48	48
Charitable income from other sources						
Grants from BBC Children in Need	-	47	47	-	37	37
Other income	26	114	140	244	75	319
Total income from charitable activities	26	211	237	244	160	404

Further details relating to restricted income are included in notes 13 and 14.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021
3. ANALYSIS OF EXPENDITURE

	Direct Costs - Staff	Direct Costs - Other	Support Costs (Note 4)	Total 2021	Direct Costs - Staff	Direct Costs - Other	Support Costs	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds:								
Costs of generating voluntary income	320	113	21	454	292	141	21	454
Costs of trading and fundraising	190	53	19	262	216	136	15	367
Cost of retail activities	797	563	98	1,458	741	757	91	1,589
	1,307	729	138	2,174	1,249	1,034	127	2,410
Charitable activities:								
Inpatient unit	1,790	633	146	2,569	1,668	613	158	2,439
Community	872	90	51	1,013	779	81	46	906
Outpatients (Spring Centre)	386	138	37	561	349	101	22	472
Bereavement (Spring Centre)	121	37	8	166	130	21	9	160
Hospital	53	2	2	57	38	14	2	54
Education	157	99	13	269	198	95	17	310
	3,379	999	257	4,635	3,162	925	254	4,341
Total	4,686	1,728	395	6,809	4,411	1,959	381	6,751

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. Costs of retail activities include £77k of stock recognised as an expense in the year ended 31 March 2021 (2020: £151k).

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

4. SUPPORT COSTS

	Administration and HR Costs	Professional Fees	Governance	2021	Administration and HR Costs	Professional Fees	Governance	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Costs of generating voluntary income	16	1	4	21	17	-	4	21
Cost of trading and fundraising	14	1	4	19	12	-	3	15
Cost of retail activities	74	4	20	98	69	3	19	91
	104	6	28	138	98	3	26	127
Charitable activities								
Inpatient unit	110	6	30	146	120	5	33	158
Community	39	2	10	51	35	1	10	46
Outpatients (Spring Centre)	28	1	8	37	17	-	5	22
Bereavement (Spring Centre)	6	-	2	8	7	-	2	9
Hospital	2	-	-	2	2	-	-	2
Education	9	1	3	13	13	-	4	17
	194	10	53	257	194	6	54	254
Total	298	16	81	395	292	9	80	381

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

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

4. SUPPORT COSTS (continued)

Governance costs comprise the following:

	2021 £'000	2020 £'000
Governance costs		
Auditors remuneration - external audit	16	14
Auditors remuneration - other advice	1	6
Salaries	73	59
Other costs	8	6
Total	<u>98</u>	<u>85</u>

5. STAFF NUMBERS AND EMOLUMENTS

	2021 £'000	2020 £'000
Gross wages and salaries	4,209	3,990
Employer's national insurance costs	365	343
Employers' pension costs	342	326
Redundancy payments	1	9
Total Payroll costs	<u>4,917</u>	<u>4,668</u>

Average number of employees in the year, excluding bank staff	Number	Number
Charitable activities	66.3	63.7
Fundraising and retail	34.5	29.0
Support services	19.0	26.6
Average number of staff	<u>119.8</u>	<u>119.3</u>

Highest paid employees

Gross salary (including employer pension and national insurance contributions) in the range

£60,000 to £70,000	4	3
£70,001 to £80,000	3	2
£100,001 to £110,000	1	1
£110,001 to £120,000	-	-
£120,001 to £130,000	-	1
£130,000 to £140,000	1	-

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

5. STAFF NUMBERS AND EMOLUMENTS – (continued)

The Board considers its key management personnel comprise the Trustees, the Chief Executive, the Director of Care, the Medical Director, People Director, the Director of Sustainable Trading, the Director of Wellbeing and Family Support, Joint Fundraising Directors and the Director of Finance and Performance. The total remuneration of the key management personnel was £779,705 (2020: £518,510). [There are four Joint Fundraising Directors that share the role of one Executive Team member. There was not a person in the Fundraising Director role in 2020. The Director of Sustainable Trading is also a new key management person. If these roles were included in 2020 the comparable figure would have been £747,461]

6. TRUSTEES' EMOLUMENTS AND REIMBURSED EXPENSES

The Trustees received no emoluments for their services during the year ended 31 March 2021 (2020: £nil). The Hospice paid expenses of £nil for Trustees during the year (2020: £100). Total donations by Trustees were £7,817 (2020: £8,999).

7. NET MOVEMENT IN FUNDS

	2021	2020
	£'000	£'000
The net movement in funds is arrived at after charging/(crediting):		
Depreciation of fixed assets	241	233
Auditors remuneration	16	14
Other amounts paid to the auditors	1	6
Operating lease rental: land and buildings	252	221
Operating lease rental: equipment	21	15
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Furniture and equipment	Shops' fixtures and Fittings	Total
	£'000	£'000	£'000	£'000
Group and Charity				
Cost				
At 1 April 2020	6,948	1,448	221	8,617
Additions	3	250	11	264
Disposals	-	(76)	-	(76)
At 31 March 2021	6,951	1,622	232	8,805
Depreciation				
At 1 April 2020	1,955	1,245	178	3,378
Disposal	-	(76)	-	(76)
Charge for the year	167	72	2	241
At 31 March 2021	2,122	1,241	180	3,543
Net book value				
At 31 March 2020	<u>4,993</u>	<u>203</u>	<u>44</u>	<u>5,240</u>
At 31 March 2021	<u>4,829</u>	<u>381</u>	<u>52</u>	<u>5,262</u>

Included in freehold land and buildings is land valued at £601,000 (2020: £601,000), which is not depreciated.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

9. FIXED ASSET INVESTMENTS	2021	2020
Group	£'000	£'000
Unlisted investments		
Investment property	250	250
The Hospice Lottery Partnership Ltd	85	85
Total unlisted investments	335	335
Listed investments		
Barclays Charity Fund	2,433	2,387
Total listed investments at market value	2,433	2,387
Total investments	2,768	2,722
Listed investments at historic cost	1,930	2,584
Charity		
Total Group investments	2,768	2,722
Investment in Hospice of St Francis Trading Ltd	40	40
Total investments	2,808	2,762

Gains on investments have resulted in a revaluation reserve of £910,000 at 31 March 2019 (2020: £408,000).

Included within fixed asset investments are:

- 40,000 shares (100%) (2020 – 40,000 shares 100%) in Hospice of St Francis Trading Ltd.
- 14 shares (16.67%) (2020 – 14 shares 16.67%) in The Hospice Lottery Partnership Ltd.

These investments are included at cost in the Charity accounts, and the investment in The Hospice Lottery Partnership is included at cost in the consolidated accounts. There is no open market valuation available for this investment, and the Trustees of the Hospice of 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 2021 show income for the year of £2,288,105 charitable donations of £1,243,624 and retained profits at 31 March 2021 of £215,566.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

10. ANALYSIS OF MOVEMENTS IN FIXED ASSET INVESTMENTS	2021	2020
	£'000	£'000
Group		
Carrying value of investments at 1 April 2020	2,722	3,394
Additions to investments at cost	-	100
Disposals of investments at carrying value	(456)	(476)
Net gains/(losses) on revaluation	502	(296)
	<hr/>	<hr/>
Carrying value at 31 March 2021	2,768	2,722
	<hr/> <hr/>	<hr/> <hr/>
Charity		
Carrying value of investments at 1 April 2020	2,762	3,434
Additions to investments at cost	-	100
Disposals of investments at carrying value	(456)	(476)
Net gain/(loss) on revaluation	502	(296)
	<hr/>	<hr/>
Carrying value at 31 March 2020	2,808	2,762
	<hr/> <hr/>	<hr/> <hr/>
11. DEBTORS	2021	2020
	£'000	£'000
Group		
Taxation recoverable	104	163
Other debtors	24	108
Prepayments	169	115
Accrued income	2,208	2,224
Total	2,505	2,610
	<hr/> <hr/>	<hr/> <hr/>
Charity		
Taxation recoverable	104	163
Amounts owed by group companies	17	104
Other debtors	23	99
Prepayments	165	106
Accrued income	2,208	2,199
Total	2,517	2,671
	<hr/> <hr/>	<hr/> <hr/>

Taxation recoverable comprises Gift Aid recoverable and VAT.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

12. CREDITORS: amounts falling due within one year	2021	2020
Group	£'000	£'000
Taxation and social security	92	84
Other creditors	191	234
Deferred income	102	27
Accruals	121	69
	<hr/>	<hr/>
Total	506	414
	<hr/> <hr/>	<hr/> <hr/>
Charity		
Taxation and social security	92	84
Other creditors	188	233
Deferred income	102	27
Accruals	114	64
	<hr/>	<hr/>
Total	496	408
	<hr/> <hr/>	<hr/> <hr/>

Included within other creditors is an amount outstanding at the year-end of £22k (2020: £21k) relating to the defined contribution pension schemes and £22k (2020: £18k) relating to the defined benefit pension scheme.

The bank overdraft refers to a credit facility that was put in place by the Trustees to cover short term funding gaps.

It is secured against the investments held in the Barclays Bank Charity Fund. This was repaid in full during the year.

Income is deferred when it is received in advance of the income recognition criteria set out in Note 1(F) having been met. All income deferred at 31 March 2020 was released in the year ended 31 March 2021. Deferred income for 2021 relates to Fundraising Events, an Education course and Rapid Personalised Care Services totalling £102k.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

13a. FUNDS (2021)	Total		
Group and charity	General Reserves	Designated Reserves	Unrestricted Reserves
	£'000	£'000	£'000
At 1 April 2020	4,864	5,499	10,363
Income	4,281	-	4,281
Expenditure	(2,980)	(167)	(3,147)
Gain on investment assets	502	-	502
Transfers	(13)	3	(10)
At 31 March 2021	6,654	5,335	11,989

Designated fund

The designated fund comprises the net book value of the building (£4,837k) 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 plus any planned capital projects: thus over the life of the building, the value of this fund will be reduced to zero. Designated funds also include funds set aside by the Trustees for capital development (£248k) and clinical work (£258k).

13b. FUNDS (2020)	Total		
Group and charity	General Reserves	Designated Reserves	Unrestricted Reserves
	£'000	£'000	£'000
At 1 April 2019	3,556	4,902	8,458
Income	7,499	-	7,499
Expenditure	(5,342)	(160)	(5,502)
Gain on investment assets	(296)	-	(296)
Transfers	(553)	757	204
At 31 March 2020	4,864	5,499	10,363

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

13c. FUNDS (continued)

<i>RESTRICTED FUNDS (2021)</i>	<i>01 Apr- 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>31-Mar- 2021</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Group and charity					
<i>Medical Cover at Watford General Hospital NHS Trust</i>	-	49	(49)	-	-
<i>Hertfordshire Community NHS Trust – Community Cardiology Work</i>	-	1	(1)	-	-
<i>Chiltern Continuing Care Contracts</i>	-	53	(53)	-	-
<i>Herts Valley Clinical Commissioning Group</i>	-	155	(155)	-	-
<i>Central London Community Health Care NHS Trust</i>	-	912	(912)	-	-
<i>Hillingdon Clinical Commissioning Group</i>	-	-	-	-	-
<i>NHSE Capacity Grants</i>	-	1,966	(1,966)	-	-
<i>HMRC Furlough Scheme</i>	-	294	(294)	-	-
<i>ABC End of Life care for Learning Disabilities</i>	5	-	(5)	-	-
<i>BBC Children In Need</i>	-	47	(46)	-	1
<i>Berkhamsted School Music Event towards purchase of laptops for the Community Nursing Team</i>	2	-	(2)	-	-
<i>The Beatrice Laing Trust - towards the refurbishment of the Spring Centre</i>	10	-	(10)	-	-
<i>The Wolfson Foundation - towards Covid 19 costs</i>	-	80	(80)	-	-
<i>Other restricted donations</i>	246	53	(89)	10	220
Total restricted funds	263	3,610	(3,662)	10	221

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
(Company limited by guarantee)

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

13d. FUNDS (continued)

RESTRICTED FUNDS (2020)	01-Apr 2019	Income	Expenditure	Transfers	31-Mar 2020
	£'000	£'000	£'000	£'000	£'000
Group and charity					
<i>Medical Cover at Watford General Hospital NHS Trust</i>	-	45	(45)	-	-
<i>Hertfordshire Community NHS Trust – Community Cardiology Work</i>	-	3	(3)	-	-
<i>Chiltern Continuing Care Contracts</i>	-	84	(84)	-	-
<i>Herts Valley Clinical Commissioning Group</i>	-	587	(587)	-	-
<i>Central London Community Health Care NHS Trust</i>	-	345	(345)	-	-
<i>Hillingdon Clinical Commissioning Group</i>	-	2	(2)	-	-
<i>ABC End of Life care for Learning Disabilities</i>	30	-	(25)	-	5
<i>BBC Children In Need</i>	-	(37)	(37)	-	-
<i>Berkhamsted Rotary towards post refurbishment paintwork</i>	-	7	-	(7)	-
<i>Berkhamsted School Music Event towards purchase of laptops for the Community Nursing Team</i>	22	-	-	(20)	2
<i>The John Aphorp Charity towards drainage works</i>	-	31	-	(31)	-
<i>The Albert Hunt Trust – towards the refurbishment of the Spring Centre</i>	-	25	-	(25)	-
<i>The Beatrice Laing Trust - towards the refurbishment of the Spring Centre</i>	-	10	-	-	10
<i>The Wolfson Foundation - towards the refurbishment of the Spring Centre</i>	-	50	-	(50)	-
<i>The Bernard Sunley Foundation - towards the refurbishment of the Spring Centre</i>	-	10	-	(10)	-
<i>Other restricted donations</i>	161	267	(121)	(61)	246
Total restricted funds	213	1,503	(1,249)	(204)	263

Restricted funds

The restricted funds at 31 March 2021 comprise the assets which have been donated to the Hospice for a restricted purpose but which have not yet been applied to that purpose.

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 and Central London Healthcare Community NHS Trust grants comprise 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 grant comprises an annual grant for palliative care service provision, plus additional amounts for the care of specific patients.

The Hillingdon CCG payment was towards the care of specific patients.

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

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

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

14. FUNDS

14a.	ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS (2021)	Unrestricted	Designated	Restricted	Total
		Funds £'000	Funds £'000	Funds £'000	2021 £'000
	Tangible fixed assets	433	4,829	-	5,262
	Investments	2,768	-	-	2,768
	Current assets	3,959	506	221	4,686
	Creditors: falling due within one year	(506)	-	-	(506)
	Total	6,654	5,335	221	12,210
14b.	ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS (2020)	Unrestricted	Designated	Restricted	Total
		Funds £'000	Funds £'000	Funds £'000	2020 £'000
	Tangible fixed assets	247	4,993	-	5,240
	Investments	2,722	-	-	2,722
	Current assets	2,309	506	263	3,078
	Creditors: falling due within one year	(414)	-	-	(414)
	Total	4,864	5,499	263	10,626

15. RELATED PARTIES

Transactions between the Charity and Hospice of St Francis Trading Limited were as follows: £36k (2020: £150k), being the profits donated to the Charity under the Gift Aid scheme. Expenses paid to Trustees and donations from Trustees are shown in Note 6.

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

16. FINANCIAL COMMITMENTS	2021	2020
At 31 March the total commitments under operating leases were as follows:	£'000	£'000
Group and charity		
Financial commitments		
Land and buildings:		
Operating leases which expire:		
- within one year	252	226
- from two to five years	453	531
- over five years	292	218
	<hr/>	<hr/>
Total land and buildings	997	975
	<hr/> <hr/>	<hr/> <hr/>
Equipment hire agreement		
Operating leases which expire:		
- within one year	18	15
- from two to five years	10	20
	<hr/>	<hr/>
Total equipment	28	35
	<hr/> <hr/>	<hr/> <hr/>
Total	1,025	1,010
	<hr/> <hr/>	<hr/> <hr/>

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

Operating lease costs of £237k were expensed in the year ended 31 March 2021 (2020: £236k).

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

17. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES	2021 £'000	2020 £'000
Net movement in funds	1,584	1,955
Unrealised (losses) / profits on investments	(502)	296
Profit on the sale of investments	(54)	(24)
Depreciation	241	233
Increase in stocks	-	(1)
Decrease / (Increase) in debtors	105	(2,113)
Increase / (Decrease) in creditors	92	(52)
	1,466	294
	1,466	294

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.

18. TRADING SUBSIDIARY: Hospice of St Francis Trading Limited (Company number 06140240)

The charity owns 100% of the 40,000 authorised and issued ordinary shares of the company Hospice of St Francis Trading Limited. Hospice of St Francis Trading is a limited company registered in England and Wales. The assets and liabilities of the trading subsidiary are shown below, and the trading results of the subsidiary are analysed in note 2E.

	2021 £'000	2020 £'000
Stocks	42	42
Debtors	6	37
Cash at bank and in hand	21	70
Creditors falling due within one year	(24)	(104)
	45	45
Net Assets	45	45
Shareholders' equity	40	40
Profit and loss account	5	5
	45	45
Total Shareholders' funds	45	45

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

19. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (31 MARCH 2020)

	Unrestricted Funds	Designated Funds	Restricted Income Funds	Total	Total
	£'000	£'000	£'000	2020 £'000	2019 £'000
INCOME FROM (Note 2)					
Donations and legacies					
Donations	2,455	-	325	2,780	2,656
Legacies	2,582	-	-	2,582	1,347
Charitable activities					
NHS Grants for Hospice care	-	-	1,018	1,108	772
Other income from charitable activities	244	-	160	404	221
Other trading activities					
Trading and fundraising	157	-	-	157	289
Retail income	1,442	-	-	1,442	1,713
Investments	11	-	-	11	1
Other	608	-	-	608	2
Total income	7,499	-	1,503	9,002	7,001
EXPENDITURE ON:					
Raising funds (Note 3)					
Voluntary income	443	11	-	454	567
Trading activities	362	5	-	367	399
Retail activities	1,589	-	-	1,589	1,614
	2,394	16	-	2,410	2,580
Net income available for charitable activities	5,105	(16)	1,503	6,592	4,421
Charitable activities (Note 3)					
Inpatient unit	1,374	80	985	2,439	2,510
Community	808	8	90	906	757
Outpatients (Spring Centre)	426	32	14	472	483
Bereavement (Spring Centre)	62	8	90	160	155
Hospital	9	-	45	54	59
Education	269	16	25	310	288
	2,948	144	1,249	4,341	4,252
Total expenditure (Note 3)	5,342	160	1,249	6,751	6,832
Carried forward	5,342	160	1,249	6,751	6,832

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2021

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (31 MARCH 2020) (CONTINUED)

	Unrestricted Funds	Designated Funds	Restricted Income Funds	Total 2020 £000	Total 2019 £000
Total Expenditure brought forward	5,342	160	1,249	6,751	6,832
Net gains on investments (Note 10)	2157 (296)	(160) -	254 -	2,251 (296)	169 124
Net income/(expenditure)	1,861	(160)	254	1,955	293
Transfers between funds	(553)	757	(204)	-	-
Net movement in funds	1,308	597	50	1,955	293
Total funds brought forward	3,556	4,902	213	8,671	8,378
Total funds carried forward	4,864	5,499	263	10,626	8,671