

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

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2020

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 2020

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CHAIR'S REPORT FOR THE YEAR ENDED 31 MARCH 2020

Alison Woodhams, Chair of the Board of Trustees.

As I write this report we remain in the midst of the Covid-19 pandemic and it seems slightly strange to be reflecting on the 'old normal' when all of our lives and the life of the Hospice have been so dramatically altered – in some ways maybe permanently. However, this should not detract from what has been a good year for the Hospice.

We bid farewell to five trustees in October – David Williams (our Deputy Chair), Mark Hampton (our Treasurer), Bernie Tipple, Matthew Gorman and Nick Hanling. I'd like to thank all of them for their significant contributions not only at formal meetings but at numerous other times. As noted in last year's report we had already recruited a number of new trustees to replace them and Margaret Salmon and Tim Symington were appointed as our new Deputy Chair and Treasurer respectively. Since then we have appointed a further trustee – Dr Rama Vancheeswaran. Rama is a Consultant Chest and General Physician for West Herts NHS Trust and her experience as a clinician will be invaluable to us.

Trustees continue to reflect on best practice from a governance perspective and during the year Lynne Hunt has become our trustee lead on Safeguarding – in addition, trustees attended a training session on safeguarding and our responsibilities. Trustees and the Executive team also took part in a Cyber Security awareness session run by an external expert on the subject during the year. Good progress was made over the year against the agreed objectives and where we have been unable to complete all the work this has been rolled over into the objectives for the coming year.

The 40th Anniversary programme of events was very successful and well received with a high level of engagement from supporters. A highlight was the Queen's Award for Voluntary Service (QAVS) given to all volunteers at the Hospice. The QAVS is a recognised quality standard and the award is a recognition that the Hospice is achieving best practice in its volunteering.

In Summer 2019 a significant part of the Hospice building was closed for several weeks for building work. The work was originally driven by the need to replace the hot water system but was expanded to include changes to the layout of the Spring Centre to better reflect how we use it now, improvements in accessibility, to enable us to increase our capacity and do a general refresh of the downstairs corridors and reception. Not only was the project delivered both on time and on budget, but we were still able to deliver most of our services albeit in a different way and in different places. This was a testament to the huge amount of planning and preparation done by staff in advance as well as proactive management during the closure. The costs of the work were covered by insurance, donations and grants from external bodies. At the end of the project a review was conducted about lessons learnt – the vast majority of these were positive particularly as a way of successfully trialling new ways of working. Many of the changes impacted the community nursing team who coped with a large increase in their workload aided by working in a more integrated way with inpatient nurses.

Towards the end of the year a number of workshops were held for staff, trustees, association members, and volunteers entitled Our Passion: Your Ambition. These were well attended and were designed to explore future ambitions and how the Hospice can deliver its objectives for the next 10 years. The feedback will be collated and used to agree an action plan for the future.

CHAIR'S REPORT FOR THE YEAR ENDED 31 MARCH 2020

Alison Woodhams, Chair of the Board of Trustees – continued

Financially total income increased by £2.0m in the year to £9.0m – much of the increase coming from legacies. Costs continue to be well controlled and in total our costs fell by 1%. As a result, the Hospice achieved a surplus of £2.3m in the year. At the end of the year the Hospice's unrestricted reserves were £5.1m, representing approximately 9.2 months of charitable spending. During the year, the trustees agreed to set up a designated Legacy Support Fund, the purpose of which is to support clinical activities in years where legacy receipts are lower than budgeted and where the shortfall cannot be covered from other income. This Fund, made up initially of 10% of legacy receipts in the last year, will hopefully provide a buffer against an income stream, which by its very nature, is difficult to predict.

The financial outcome of the last year has been timely in the light of the Covid-19 pandemic. The Hospice already had a robust Business Continuity Plan which was tested last year during the building project. As soon as news of the pandemic emerged Hospice management started refining and expanding the plan to cope specifically with the virus. An enormous amount of work that has been undertaken to ensure we continue to operate as well as we can, and the stresses and strains this has put Hospice staff under, particularly the clinical teams, have been considerable. As a result of all this effort we have been able to support the same number of patients and their families as we did in the same period last year. The learnings from the building project have been very helpful and, however difficult it has been, there will be additional learnings from this time.

The longer term impact of the pandemic will be on our income streams – the fall in income in the first 3 months has been over £1.4m alone – and whilst the funding from the Government is welcome it has not covered that shortfall completely and finishes in June. We anticipate that our retail operations, which make a significant contribution to our funding, will take a long time to recover to their previous levels. Likewise, we will have very little income from events until Spring 2021. The next 18 months are going to be particularly difficult and, having worked hard to achieve to a break even position, it is likely we will find ourselves returning to a deficit position.

This year, more than ever, I would like to thank all our staff, donors, volunteers and supporters in all their forms for everything they do. The Hospice has had many challenges over the last decades and I am confident, with their help, we will weather the storm we are currently in and emerge to meet future challenges and opportunities. Throughout it all we will continue to deliver the exceptional care to which we believe every one of our patients is entitled.

**HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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**REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

PATRONS AND TRUSTEES OF THE CHARITY

PATRONS

Robert Voss CBE, The Lord Lieutenant of Hertfordshire
 Lady Dionne, The Countess of Verulam CG
 Jo Connell OBE DL
 Dr Vivienne Cox CBE
 David Gauke
 Joan Gentry
 Hilary McNair
 Sir Mike Penning, MP for Hemel Hempstead
 Charles Toner
 Dr Peter Carter OBE
 Dr Ros Taylor MBE

BOARD OF TRUSTEES:

Alison Woodhams (Chair)
 Julia Bolsom
 Sarah Byrt
 Tim Curry
 Matthew Gorman (resigned September 2019)
 Mark Hampton (resigned September 2019)
 Dr Bernadine Tipple (resigned September 2019)
 David Williams (resigned October 2019)
 Margaret Salmon (Deputy Chair)
 Nick Hanling (resigned September 2019)
 Tracy Moores*
 Hannah Richardson
 Tim Symington (Treasurer)
 Shailen Rao*
 Massimo Petronio (from July 2019)
 Lynne Hunt (from September 2019)
 Dr. Rama Vancheeswaran (from October 2019)

Membership of committees and directorships of subsidiary company

FaR, IG
 CA, IG
 CG
 IG
 FaR, CA
 CG
 CA, FaR, IG
 FaR, CG, CA
 FaR, CA
 IG, CG
 IG, FaR
 CA, FaR
 CG, IG
 CA, FaR
 FaR, CA
 CG

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)

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HOSPICE MANAGEMENT AND DETAILS OF ADVISORS

CHIEF EXECUTIVE:	Kate Phipps-Wiltshire
EXECUTIVE TEAM:	Sharon Chadwick (Medical Director & Deputy CEO) Sarah Coles (Head of Trading) Fay Richardson (Director of Care) Kimberley McLaughlin (Director of Supportive Care) Maureen Sebanakitta (Director of Finance & IT) Angela Proctor (Director of HR, Voluntary Services & Facilities) Fiona Watson, Lucy Hume, Carolyn Addison, Kate Grigg (Joint Fundraising Directors)
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

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REPORT OF THE BOARD OF TRUSTEES
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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.

We believe passionately that each person should be able to access the best quality of care at the end of their lives. We know that we have the special skills and expertise to do this: the challenge for us lies in coordinating our work with that of other providers, improving care experiences for all the people in our catchment area, and raising sufficient funds to achieve our aims.

Based on our vision, our mission is:

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

The Board objectives 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 determined four priorities with regard to the value of the services we provide, in terms of patient evaluation, the impacts of the services we deliver, and the cost / benefit of each service.

Our priorities are:

1. To work with other local palliative care providers to increase clinical effectiveness and reduce duplication across the system;
2. To further develop Palliative Rehabilitation (Inpatient) Services at the Hospice;
3. To lead and develop further Palliative Care Education in Hertfordshire;
4. To further develop research activity at the Hospice.

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Hospice of St Francis objectives – continued

Strategic aims	Actions for 2020/21
To be an outstanding Hospice	<ul style="list-style-type: none"> • Integrated single consent policy • Deliver key aspects of the Diversity Plan • Scope our ambitions for medicines and pharmacy to extend and develop our medicines service • Capture & market total value proposition for employees including new ‘user friendly’ performance review documentation and clinical supervision • Deliver Research, Education and Training plan • Put together the business case for a cardiac and respiratory team
To control expenditure and optimise income	<ul style="list-style-type: none"> • Comprehensive on-line strategy for the organisation as a whole with work-streams and supporting business case Phase 1 – scope the project and create a project initiation document • Compelling appeal(s) that proactively seek to minimise the risk of cannibalising future donation • Focused major donor matched funding campaign
To grow the ratio of volunteers to staff from 5:1 to 10:1	<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
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 • Develop detailed plans to be enacted in 2021 for carers referral and recruitment of re-enablement volunteers

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Achievements and performance in 2019/20

This section of the report shows the progress we have made towards the objectives we identified in our 2018/19 report.

Our plans for 2019/20 were:

Objective 1: To be an outstanding Hospice

To aim to retain our outstanding rating at the next CQC inspection

- We have a comprehensive preparation plan in place including a mini-inspection by a team made up of an external assessor, carer (who was an inspector) and trustee. The CQC had advised that our inspection was unlikely to take place before June 2020 and subsequently the CQC suspended their inspection programme during the pandemic to ensure providers could focus on patient care and public safety.
- The Hospice successfully applied for a grant to equip the building with a new system for people who are hard of hearing to be able to participate fully in group meetings and individual consultations. A new capital group has been set up to assess all aspects of the building including accessibility

Objective 2: To proactively manage our income

To scope an approach to income generation that is informed by the best in the sector nationally and overseas.

In 2019/20 the Fundraising Directorate focused on:

- Improving and re-organising the fundraising team structure in order to maximise efficiency, remove silo working, increase opportunities for career progression and unify the team as a whole;
- Integrating the Donorcare team into the Fundraising team and thereby streamlining the process;
- Reviewing our thanking process which has resulted in improved efficiency and monitoring ensuring that all donors were thanked in an appropriate and timely manner;
- Improving and maximising marketing opportunities by creating a more integrated working relationship with the Communications team and developing a charity-wide approach. We have also invested jointly in resources within budget to attract specialist digital marketing expertise resulting in better target marketing enabling us to reach a wider audience and increase community engagement;
- Introducing 'Everyone's a Fundraiser' initiative - a Hospice-wide initiative which has engaged with staff and volunteers from all teams.

Towards the end of the financial year the Income Generation Committee in February 2020 approved a new income generation (voluntary fundraising) strategy. The key features of this strategy are as follows and will be implemented for 2020/21 for the next 3 years:

- Personalised Stewardship of Supporters – the retention of existing donors by focusing on each individual supporter journey;
- Incremental Growth and Transformational Giving – to enable us to double the reach of our care by attracting larger monetary gifts;
- Focus on 'rising stars' – maximising those income areas with growth potential.

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Achievements and performance in 2019/20 – (continued)

Objective 2: To proactively manage our income – (continued)

To scope an approach to income generation that is informed by the best in the sector nationally and overseas. – (continued)

- **Integrated Marketing and Communications Strategy incorporating Digital:** Working collaboratively with the Communications Team in developing a charity-wide approach, we have jointly invested resources within budget in specialist digital marketing expertise to target our marketing and reach a wider audience.
- **Everyone's a Fundraiser:** We have worked with staff, volunteers, association members and key supporters to build awareness, confidence and capacity to identify and engage with potential supporters to build an organisational ethos that fundraising is everyone's business.

To re-launch the regular giving programme

- For our 40th anniversary we ran a Summer Appeal designed to recruit regular givers at £12 a month (40p a day). This appeal featured a letter from Nurse Jenny Burrell as one of our longest standing members of staff and highlighted how care had changed over the 40 years, finally asking donors to set up a regular gift to help fortify us for the next 40 years. 105 supporters responded generating over £6,000 in donations this financial year, including 17 new regular gifts with an expected lifetime value of approximately £17,000.

To broaden our trading portfolio

- This year the Trustees approved plans to open a book shop, develop our online trading operation and replicate Returned to Glory our furniture showroom. We were unable to identify a suitable unit for Returned to Glory so will carry this priority into 2021/22. A re-structure of online trading has given us sound foundations to build our business moving forward. We reviewed every aspect of the operation and are now trading on four different platforms. The pandemic meant that the opening date for our community bookshop Chapter Two in Chesham was delayed until 29 June 2020. The major work was completed before lockdown and wherever possible recycled materials were used in the shop fit. A donor appeal resulted in 14,000 books and over 20 bookcases being donated and we will be ready for opening at the earliest opportunity.

To ensure that our expenditure matches our income whilst maintaining an appropriate level of reserves

- The Trustees are committed to ensuring that the Hospice operates in a financially sustainable manner by growing and diversifying income generating activities, exercising rigorous control of the budget and building and maintaining a sufficient level of reserves. Income grew by 27% whilst expenditure fell by 1% compared to 2018/19. The resulting surplus means that the reserves levels have increased to £4.5m.

This year the hospice recorded higher than normal level of legacy income (£2.5m). The Trustees have therefore decided to create a new designated fund to shield ongoing activities from the impact of fluctuating levels of legacy income of this. The annual designation, initially set at 10% of legacy income, will provide a buffer to ensure that clinical activities continue to be funded in the event of a sudden decline in legacy income.

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Achievements and performance in 2019/20 – (continued)

Objective 2: To proactively manage our income – (continued)

To ensure that our expenditure matches our income whilst maintaining an appropriate level of reserves – (continued)

- The CCG commissioned services for two additional inpatient beds and a 24 hour advice line. Both services are funded recurrently and the Rapid Personalised Care Service was recommissioned recurrently.

Securing this income on a recurrent contract for our main activities ensures that we can continue to deliver and grow our services to meet ongoing demand consistent with our vision to double the reach of our care.

Objective 3: To grow the ratio of volunteers to staff from 5:1 to 10:1

To develop a comprehensive blended workforce plan (employed staff and volunteers)

- A survey of managers was completed to identify their workforce priorities with the goal of identifying how best volunteers could support the Hospice in improving existing services and developing new services consistent with our mission.

To make it easier for potential employees and volunteers who do not traditionally choose a hospice as a place to volunteer and work, to make that choice

- Volunteers at The Hospice of St Francis were awarded the Queen's Award for Voluntary Service (QAVS) in 2019. The QAVS is a recognised quality standard and the award is a recognition that the Hospice is achieving best practice in its volunteering. Volunteers are an integral part of the Hospice workforce.
- The Finance and Resources Committee in February 2020 received update reports on volunteering and diversity. The report set out recommendations for volunteer growth to meet proposed service development and principles to guide management of volunteers in the organisation based on best practice for example to protect the volunteering experience and avoid creating an employee relationship.
- The ratio of volunteers to staff has grown from 5:1 to 9:1.
Volunteers are supporting all service areas and will enable our services to grow to meet strategic objectives of doubling the reach of our care.

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Achievements and performance in 2019/20 – (continued)

Objective 3: To grow the ratio of volunteers to staff from 5:1 to 10:1 - (continued)

To develop a total employee package and a structure for ‘safe delegation’ of responsibility for staff and in our volunteer roles

- The “total employee proposition/package” encompasses all of the factors that make the Hospice ‘a great place to work’ for staff many of which were identified in our staff survey & which together with feedback from “Our Passion Your Ambition” (OPYA) will be used to maximise our ability to attract staff. We continue to improve our benefits package and have made all the necessary preparations to launch SMART pay. Finally, to enable the safe development of our services we are developing volunteering role which are fulfilling but within a strong governance framework.
- The outcome of a survey of managers to understand their volunteer needs to achieve service growth was incorporated into the draft report to Trustees in September 2019. This proposed a wider consultation (Our Passion Your Ambition) to underpin the potential workforce changes. The Trustees approved the consultation exercise. Whilst the final two sessions could not take place because of the lockdown the outcomes of the OPYA workshops that were successfully completed involving 80 participants from across the organisation as a whole (volunteers, staff, association members and trustees) will be reported to the Board in June 2020.

Objective 4: Double our capacity to care by 2028

To develop new fundraising models for services that are marketable to a wider audience than those with a direct experience of care –particularly within our family support and well-being services

- This was included in the proposals for wider consultation across the organisation (OPYA) underpinning work on our supporter journey and case for support began in the final quarter 19/20. Updated objectives in the light of all this work will be set for 20/23

To seek to attract larger transformational gifts for example from major donors, in memory, corporate partnerships and living legacies as well as smaller gifts to enable us to make a step change in the way that we deliver care.

- £185k was secured from two donors to support the Hospice to build the case to re-open two beds that had previously been closed during 2018/19 as part of the NHS funding changes to achieve the national sustainability and transformation plans. The NHS has now recommissioned these two beds recurrently at a price point that fully funds the step costs to move from 10 to 12 beds.
- The Hospice received capital grants worth £173k to redevelop the Spring Centre to make better use of the existing footprint by bringing 33% more space into usage as clinical rehabilitation space, therefore enhancing our capacity to support patients, families and carers. This project was delivered on time and on budget.

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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 committees review any risks assigned to them;
- Formal project groups are set up for major projects, to ensure they are properly planned, managed and implemented.

**REPORT OF THE BOARD OF TRUSTEES
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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 • Investment policy focused on capital preservation, long-term capital growth and short-term liquidity
<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"> • Continued engagement with NHS commissioners • Strategic income generation plans • Diversification of income and enhancement of online trading platforms • Community engagement
<p>Operational risks. Events, including inadequate facilities management, 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"> • Training and risk-awareness programmes for all staff • Senior management responsibility for Health and Safety awareness • Information security policies, antivirus software, two factor authentication for remote access • Expert external advice regarding IT estate and investments
<p>Reputational risks. Incidents, omissions or press coverage which damage the Hospice’s reputation.</p>	<ul style="list-style-type: none"> • Risk assessments for all activities, with attention to the safety of external and internal participants • Emergency response plan, on which senior staff have received formal training • Training and awareness programmes for all staff
<p>Care delivery risks. Risks relating to patient experience and the Covid-19 pandemic.</p>	<ul style="list-style-type: none"> • Staff training • Hospice policies and procedures regularly updated and communicated • Implementation of new electronic patient records system to allow Hospice participation in Electronic Palliative Care Coordination System (EPaCCS)
<p>Staff risks. Risks relating to recruitment and retention of staff and volunteers.</p>	<ul style="list-style-type: none"> • Initiatives to attract staff • Reward and recognition policy being designed • Staff training and development programme • Staff and volunteer mandatory training programme • Clear and accessible whistle-blowing procedures

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FINANCIAL REVIEW

Total income increased by 29% in the year to £9.0m. The Hospice’s work is funded by a mixture of donations, income from retail activities, legacies, earned income from service delivery and grants. Donated income grew by 5% to £2.8m, whilst legacy income, which is inherently a variable income stream, almost doubled to £2.6m. Other income increased by £606k due to a non-recurrent insurance claim of £439k made during the year. In addition to this, the Hospice received £145k retail property grants as part of the Government’s support package in the wake of the Covid-19 pandemic.

	2015/16	2016/17	2017/18	2018/19	2019/20
	£’000	£’000	£’000	£’000	£’000
Total income	6,560	6,207	6,898	7,001	9,002
Costs of income generation	2,636	2,579	2,668	2,580	2,410
Spending on charitable activities	4,344	4,626	4,525	4,252	4,341
Total reserves	9,325	8,557	8,378	8,671	10,626

Income from charitable activities grew by £0.4m to £1.4m. 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 £0.4m to £1.6m. 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 2019/20 the Hospice accounted for £455k of gift aided donations of goods to its shops. High street trading conditions remained challenging throughout the year and our retail efforts were focused on consolidating retail income generation and maximising cost efficiencies.

The Hospice also raises money through events and sponsorship, applications to grant making trusts, direct marketing, in memory giving, and other sources. The cost of raising voluntary and fundraising income is £0.8m, 36% of the sums raised.

Performance of material fundraising activities

Once again the Hospice has benefited from the significant goodwill of our community, with fundraising events continuing to perform strongly. Membership of the Corporate Partners Network stands at 207 members. The quality of our work with patients and families and our positive relationship management continue to create positive results with in-memoriam giving.

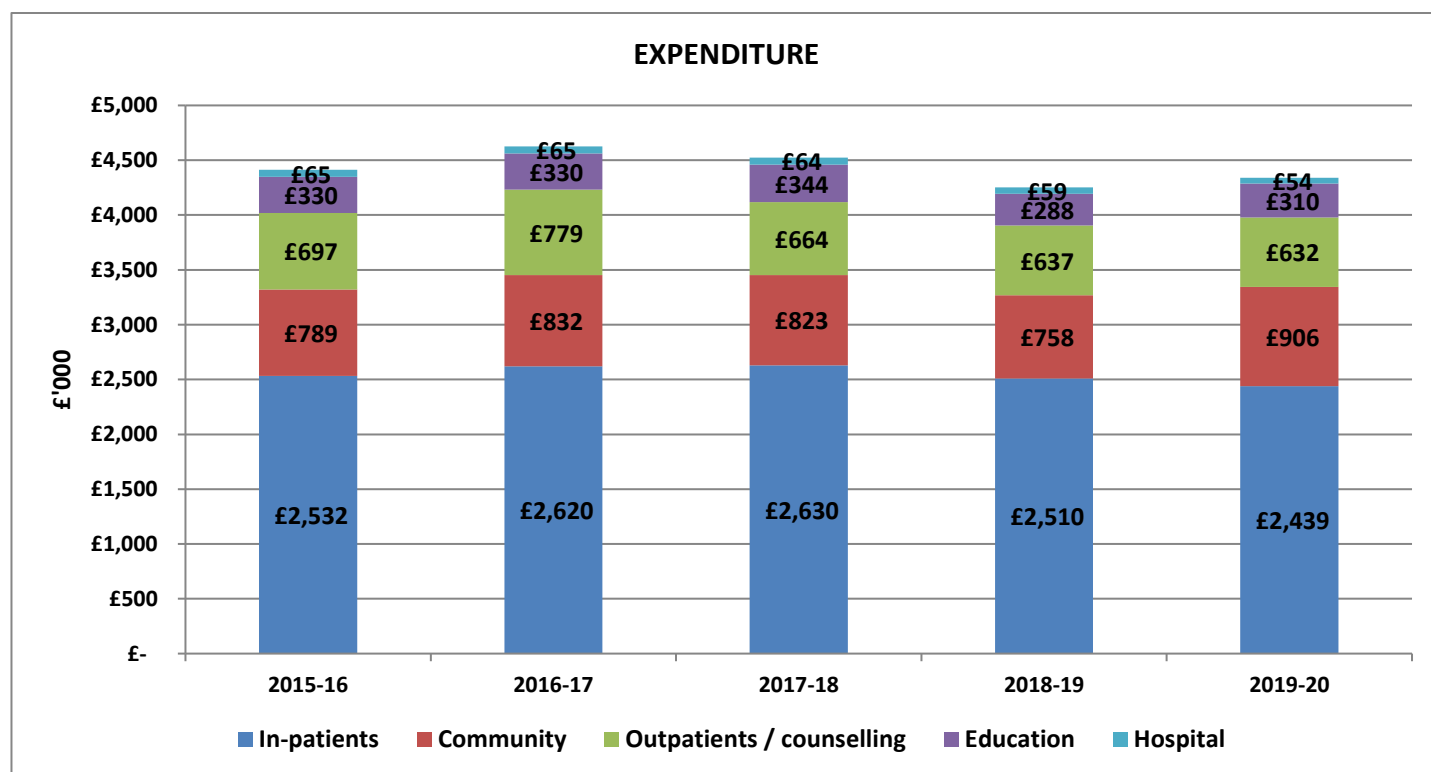
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FINANCIAL REVIEW – continued

Our total expenditure was £6.7m (2019: £6.8m) a reduction of 1% compared to the previous year.

We spent just over £4.3m on our charitable activities in the year (2019: £4.3m), in percentage terms an increase of 2%. The costs of running the inpatient unit fell this year as the Unit was closed for eight weeks during the summer months to enable the refurbishment works to proceed. Ordinarily, the unit is fully staffed 24/7 365 day/year with a multi-professional team comprising ten different professions and one hundred and twenty volunteers who are trained to deliver components of care that can be safely delegated. We are therefore able to provide a comprehensive patient and family service to people who need our specialist palliative care team. We can admit people in the evenings and weekends, often preventing an unplanned hospital admission and our medical on-call arrangement means that patients can receive a medical review as soon as they need it, at the hospice or at home. Community nursing costs increased by 20%, this being the first full year of operating the Rapid Personalised Care Service (RPCS) which enables patients to be cared for at home, rather than at the Hospice in the last weeks of life.



The cost of generating income, which includes retail, trading and fundraising activities fell by 7% to £2.4m (2019: £2.6m), in line with the strategy to increase overall profitability whilst keeping costs under tight control.

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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 2020 to 2022 will focus on recovering and stabilising the Hospice’s financial position following the Covid-19 pandemic. Thereafter, the focus will be on achieving a balanced budget from 2022/23 going forward.

Reserves

	2015/16	2016/17	2017/18	2018/19	2019/20
	£’000	£’000	£’000	£’000	£’000
Restricted reserves	26	57	113	213	263
Designated reserves	5,167	5,022	4,865	4,902	5,499
Unrestricted reserves	4,132	3,478	3,400	3,556	4,864
Total reserves	9,324	8,557	8,378	8,671	10,626

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. This year, due to the large legacy receipts, the Trustees have designated 10% of these receipts to cover clinical care costs in the event of a disruption to our normal fundraising activities. This brings the total amount designated for capital projects and clinical activities to £506k. 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 2020

FINANCIAL REVIEW – continued

The resulting calculation provides a minimum level of reserves required. In 2019/20, the Trustees set a target of moving from 6 to 9 months of charitable spending which is between 3.0m to £5.0m. At 31 March 2020, the Hospice's unrestricted reserves were £5.1m, representing approximately 9.2 months of charitable spending.

Investment policy

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

Investment portfolio objectives

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

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

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

Fundraising approach and performance

Once again the Hospice was sustained by the generosity of its community of supporters, who work with us to ensure that we can continue to provide care and support for families, both now and in the future.

The charity undertakes a broad range of fundraising activity to its supporters all of which is in line with the Fundraising Code of Practice set by the Fundraising Regulator. The Hospice of St Francis is a founding member of the current fundraising self-regulation scheme and remains in membership. Our Donor Charter is available on our website to reassure supporters of our approach. The Charity set up a fixed term internal project to ensure compliance with the General Data Protection Regulation.

In 2019/20, the Hospice continued to benefit from its work with the Hospice Lottery Partnership (HLP), a not for profit organisation which raises funds for six 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. The Hospice of St Francis has a place on the HLP Board and our staff also provide training to HLP canvassers to regularly reinforce our fundraising ethics. We have not received any complaints at all this year about fundraising activity (2019:NIL).

Our ability to generate income remains on our strategic risk register. As part of an organisation-wide restructure, clear and consistent leadership roles with clear accountability for fundraising activities were implemented during 2019/20. The performance of our legacy income remained strong. A number of new initiatives in our corporate, major donor and community and events fundraising programmes gave us confidence, prior to the impact of the Covid-19 pandemic, that our financial plans for income could be achieved.

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

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

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.

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

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 2020 there were 12 Trustees. Membership of the Board is set out on page 5 of this report.

At 31 March 2020, 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

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

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020

STRUCTURE GOVERNANCE AND MANAGEMENT – continued

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 2020**

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 8 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.

QUALITY PERFORMANCE AND CLINICAL STATISTICS

The Hospice of St Francis reflects continuously on its performance and improvement, which is supported by processes of internal monitoring. A range of quality activities such as clinical auditing, policies, procedures and patient feedback are reported to the Director of Care and Head of Integrated Governance. Medicines Management remained a key focus of the Clinical Governance Committee in 2019/20. The Hospice continues to audit the processes for the management of controlled drugs and retained compliance with these audit standards. The Clinical Governance Committee set a very low tolerance level for drug errors because controlled drugs are core to our practice. This threshold is lower than that used by the Local Intelligence Network (LIN) but similar to that used by other Hospices. The Hospice this year was supported by an external infection control audit achieving a standard of 94% compliance and we continue to review with a goal of increasing this compliance.

In 2019/20 197 patients came into the In Patient Unit. This figure was slightly down on last year due to the In Patient Unit being closed to admissions for eight weeks during essential building works. The average length of stay was 9 days ranging from 4 hours to 18 weeks. Even if the stay was for a very short time, the patients and families were pleased that they or their loved one had been able to achieve their wish to come into the Hospice.

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

REPORT OF THE BOARD OF TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2020**

Quality Performance and Clinical Statistics - continued

The extended patient stays are a multi-disciplinary team, patient and family decision, where care in another setting would not be in a patient's best interest. 84% of patients referred for IPU beds were admitted within agreed response time. On those occasions where the response time was missed it was because hospice beds were fully occupied. This year saw an increase to 51 patients were admitted to the In-patient unit out of hours (outside of 9-5, Monday to Friday) preventing 51 un-planned hospital admissions. This figure was influenced by the community team being alert to their patients' needs 7 days a week and acting responsively.

The success of the Rapid Personalised Care Service (RPCS) and the extension to 7 days working by our community team, continues to support the patients being cared for in their preferred place of care and achieving their preferred place of death. We moved up to 12 beds December 2019 to support the need for increased palliative care in - patient beds in West Hertfordshire, supported by the HVCCG giving an average of 84% occupancy across 12 beds. During the latter part of 19/20 we have had to reduce our In Patient bed capacity due to the coronavirus pandemic however the nursing and medical dependency for those patients had been extremely high. During this time we have been able to mirror our summer 2019 patient care delivery system and increased our community virtual bed service.

The Hospice had 629 patient referrals into all its services, of these 555 were new referrals and 74 re-referrals. The typical average open case load at any one time for the Hospice as a whole was 819 and the Hospice supported over 1838 people (patients and families) in the course of the year which was reduced due to our summer closure and the recent Covid-19 changes to referral and need. There were a total of 2117 home visits or visits to nursing homes by various teams during the year. 100% of community referred patients were contacted within the agreed response times. 100% of patients were offered an advance care planning (ACP) conversation within 3 contacts if appropriate (ACP is not always appropriate for people on a curative pathway). Activity for the RPCS met the agreed demand management thresholds throughout the pilot. An additional contract sum will be paid by the HVCCG 19/20 to reflect this and the service will be recommissioned recurrently in 20/21.

The Hospice had 98 individual adult patients visit the Spring Centre on average per month. During the summer work and Covid-19 pandemic the Spring Centre was closed however the teams continued to reach Spring Centre patients at alternative venues and now in Covid-19 times providing 121 and group sessions by Zoom, accuRX video consultation and increased telephone support. The Hospice supported on average 28 children through its one to one sessions and group sessions per month. Telephone bereavement services provided 1584 bereavement support calls to family members (adult, children and young people) offering a space for reflection, support and intervention where required. Having a robust telephone support service in place ensured the transition required through the summer period and Covid-19 times provided an ongoing service which provided such valuable support. Our Carers' Service has continued to reach out and offer support to more carers in our community that are caring for someone with a life-limiting illness. This service supported 68 new carers last year all of whom received a specialist Carers Support Need Assessment [CSNAT]. The focus of these assessments is to help each carer to identify their own practical, social and emotional support needs and then work with them in meeting their individual needs.

During the summer closure in 2019 all Hospice of St. Francis services outlined above demonstrated their KPI's were met within the agreed tolerances. Our activity with Bucks CCG in 2019/20 increased by 48% on the previous year and this will be reflected in the new contract terms for 20/21.

This year saw the initial set up of the West Herts Palliative Care Out-of-Hours Advice Line through HVCCG and our sub contract with the Central London Community Health Care Trust. This service is supported 365 days of the year by a Palliative Care consultant providing out of hours advice. The service has been implemented through the Hospice of St. Francis and the first 3 months supported 103 calls, escalating 14 to the Medical Team.

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  Alison Woodhams

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) Limited for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement 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 2020 and of the group's and parent charitable company'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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 24, 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.

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.

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.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate;
- or

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Board of Trustees and the Chair's 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 Report of the Board of Trustees (which incorporates the strategic report and the directors' report) 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 Report of the Board of Trustees 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 Report of the Board of Trustees (which incorporates the strategic report and the directors' report).

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

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

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.



Anna Bennett (Senior Statutory Auditor)

10 Queen Street Place

For and on behalf of Haysmacintyre LLP

Statutory Auditors, London

EC4R 1AG

Date: 25th September 2020

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2020

	Unrestricted Funds	Designated Funds	Restricted Income Funds	Total	Total
	Note 1C £'000	Note 1C £'000	Note 1C £'000	2020 £'000	2019 £'000
INCOME FROM (NOTE 4)					
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	1,018	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					
Other	11	-	-	11	1
	608	-	-	608	2
Total income	7,499	-	1,503	9,002	7,001
EXPENDITURE ON:					
Raising funds (Note 5)					
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 5)					
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 5)					
Carried forward	5,342	160	1,249	6,751	6,832

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2020

	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
	2,157	(160)	254	2,251	169
Net gains on investments (Note 9)	(296)	-	-	(296)	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

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



CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 MARCH 2020

Company Number: 1507474

	Note	Group		Charity	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
FIXED ASSETS					
Tangible fixed assets	11	5,240	4,884	5,240	4,884
Investments	12,13	2,722	3,394	2,762	3,434
TOTAL FIXED ASSETS		7,962	8,278	8,002	8,318
CURRENT ASSETS					
Stocks for goods for resale		42	41	-	-
Debtors	14	2,610	497	2,671	548
Short term investments		-	-		
Cash at bank and in hand		426	572	356	497
TOTAL CURRENT ASSETS		3,078	1,110	3,027	1,045
CREDITORS: amounts falling due within one year	15	(414)	(717)	(408)	(697)
NET CURRENT ASSETS		2,664	393	2,619	348
NET ASSETS		10,626	8,671	10,621	8,666
FUNDS OF THE CHARITY					
	16				
Unrestricted funds		4,864	3,556	4,859	3,551
Designated funds		5,499	4,902	5,499	4,902
Restricted funds		263	213	263	213
TOTAL CHARITY FUNDS		10,626	8,671	10,621	8,666

The accounting policies and notes on pages 31 to 54 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 2019 is included within note 24. The surplus of the charity before consolidation of its subsidiary was £1,810k (2019: £293k).

The Accounts were approved and authorised for issue by the Board on 22 September 2020 and were signed below on its behalf by

Alison Woodhams

Alison Woodhams
Chair

.....
Timothy Symington
Treasurer

Timothy Symington

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

CONSOLIDATED CASH FLOW STATEMENT
AS AT 31 MARCH 2020

	2020	2019
	£'000	£'000
Cash flows from operating activities (Note 22)	294	744
Cash flows from investing activities		
Purchase of fixed assets	(589)	(72)
Proceeds from the sale of investments	500	2
Net cash invested	(100)	(642)
	<hr/>	<hr/>
	(189)	(712)
Increase / (decrease) in cash and cash equivalents in the year	105	32
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents at the beginning of the year	321	289
Cash and cash equivalents at the end of the year	426	321
	<hr/> <hr/>	<hr/> <hr/>
	105	32
Analysis of cash and cash equivalents		2019
	£'000	£'000
Cash at bank and in hand	426	572
Bank overdraft	-	(251)
	<hr/>	<hr/>
Total cash and cash equivalents	426	321

The accounting policies and notes on pages 31 to 54 form part of the Accounts.

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

NOTES TO THE ACCOUNTS
AS AT 31 MARCH 2020

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The 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).

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

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

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

B. Going concern

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. Public health restrictions 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.

C. 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 2020, 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.

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

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

1 ACCOUNTING POLICIES (continued)

D. Tangible fixed assets for use by the Charity

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

Depreciation of Tangible Fixed Assets

Freehold land is not depreciated. The cost of 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

E. Investment

Investments are included at market value, 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.

F. 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.

G. 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.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

1 ACCOUNTING POLICIES (continued)

H. 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.

I. Gifts in kind

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

J. Donated services and facilities

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

K. Expenditure

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

L. 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.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

1 ACCOUNTING POLICIES (continued)

M. 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.

N. Leases

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

O. 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 2020 amounted to £13,320 (2019 - £5,593) and was written off during the year.

P. RETAIL GRANTS

The charity received £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 2020, in accordance with the charity's accounting policies.

2 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.

3 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 2020.

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 2020.

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

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

4. ANALYSIS OF INCOME	Unrestricted Funds £'000	Restricted Income Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Income Funds £'000	Total 2019 £'000
a) Donations and legacies						
Memorials register	341	-	341	286	-	286
Donations from individuals and companies	1,371	120	1,491	1,574	-	1,574
Trusts	-	205	205	-	195	195
Donations received through the retail gift aid scheme	455	-	455	342	-	342
Collecting boxes	63	-	63	58	-	58
Lottery	225	-	225	201	-	201
Total donations	2,455	325	2,780	2,461	195	2,656
Legacies	2,582	-	2,582	1,347	-	1,347
b) Income from other trading activities: trading and fundraising						
Fundraising events	131	-	131	238	-	238
Providing goods and services, other than for the benefit of the charity's beneficiaries	25	-	25	50	-	50
Letting property held primarily for the functional use of the charity	1	-	1	1	-	1
Trading and fundraising	157	-	157	289	-	289
c) Income from other trading activities: retail shop sales	1,442	-	1,442	1,713	-	1,713
Total retail income	1,442	-	1,442	1,713	-	1,713

Trading operations

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

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

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

4. ANALYSIS OF INCOME (continued)

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

	2020	2019
	£'000	£'000
Retail income	1,442	1,713
Gift aided donations through the shops (including gift aid)	455	342
Total income	1,897	2,055
Retail costs	1,589	1,745
Contributions made by retail operations	308	310

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:

	2020	2019
	£'000	£'000
Turnover	415	452
Cost of sales	(151)	(170)
Operating costs	(114)	(169)
Amounts donated to Hospice of St Francis (Berkhamsted) Ltd under the Gift Aid scheme	(150)	(113)
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 27). Included within 2020 turnover above is £77,067 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 2020

	Unrestricted Funds £'000	Restricted Income Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Income Funds £'000	Total 2019 £'000
Investment income	11	-	11	-	-	1
Total investment income	11	-	11	-	-	1
<hr/>						
Income from charitable activities						
NHS income for service provision						
Hertfordshire	-	587	587	-	-	689
Central London Community Healthcare NHS Trust	-	345	345	-	-	-
Hillingdon	-	2	2	-	-	-
Buckinghamshire	-	83	83	-	-	83
Total NHS Income for service provision	-	1,017	1,017	-	-	772
NHS income for specific projects						
Watford General Hospital	-	45	45	-	-	44
Hertfordshire Community Cardiology Consultant	-	3	3	-	-	3
Total NHS income for specific projects	-	48	48	-	-	47
Charitable income from other sources						
Grants from Macmillan Cancer Support	-	-	-	-	-	2
Grants from BBC Children in Need	-	37	37	-	-	36
Grant from The St. James's Place Foundation	-	-	-	-	-	20
Other income	244	75	319	-	-	116
Total income from charitable activities	244	160	404	-	-	221

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

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

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

5. ANALYSIS OF EXPENDITURE

	Direct costs - Staff £'000	Direct costs - Other £'000	Support costs £'000	Total 2020 £'000	Direct costs - Staff £'000	Direct costs - Other £'000	Support costs £'000	Total 2019 £'000
Raising funds:								
Costs of generating voluntary income	292	141	21	454	384	158	25	567
Costs of trading and fundraising	216	136	15	367	212	173	14	399
Cost of retail activities	741	757	91	1,589	793	744	77	1,614
	1,249	1,034	127	2,410	1,389	1,075	116	2,580
Charitable activities:								
Inpatient unit	1,668	613	158	2,439	1,708	643	159	2,510
Community	779	81	46	906	672	63	22	757
Outpatients (Spring Centre)	349	101	22	472	351	112	20	483
Bereavement (Spring Centre)	130	21	9	160	124	22	9	155
Hospital	38	14	2	54	41	17	1	59
Education	198	95	17	310	191	85	12	288
	3,162	925	254	4,341	3,087	942	223	4,252
Total	4,411	1,959	381	6,751	4,476	2,017	339	6,832

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 £151k of stock recognised as an expense in the year ended 31 March 2020 (2019: £170k).

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

6. SUPPORT COSTS

	Administrati on and HR Costs	Professional Fees	Governance	2020	Administrati on and HR Costs	Professional Fees	Governance	2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Costs of generating voluntary income	17	-	4	21	20	-	5	25
Cost of trading and fundraising	12	-	3	15	11	-	3	14
Cost of retail activities	69	3	19	91	61	2	14	77
	98	3	26	127	92	2	22	116
Charitable activities								
Inpatient unit	120	5	33	158	125	3	31	159
Community	35	1	10	46	18	-	4	22
Outpatients (Spring Centre)	17	-	5	22	15	-	5	20
Bereavement (Spring Centre)	7	-	2	9	7	-	2	9
Hospital	2	-	-	2	1	-	-	1
Education	13	-	4	17	10	-	2	12
	194	6	54	254	176	3	44	223
Total	292	9	80	381	176	3	44	339

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.

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

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020
6. SUPPORT COSTS (continued)

Governance costs comprise the following:

Governance costs	2020 £'000	2019 £'000
Auditors remuneration - external audit	14	14
Auditors remuneration - other advice	6	1
Salaries	59	48
Other costs	6	3
Total	<u>85</u>	<u>66</u>

7. STAFF NUMBERS AND EMOLUMENTS

	2020 £'000	2019 £'000
Gross wages and salaries	3,990	4,023
Employer's national insurance costs	343	335
Employers' pension costs	326	328
Redundancy payments	9	51
Total Payroll costs	<u>4,668</u>	<u>4,737</u>

Average number of employees in the year, excluding bank staff	Number	Number
Charitable activities	63.7	65.6
Fundraising and retail	29.0	28.3
Support services	26.6	22.0
Average number of staff	<u>119.3</u>	<u>115.9</u>

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

£60,000 to £70,000	3	6
£70,001 to £80,000	2	1
£80,001 to £90,000	-	-
£90,001 to £100,000	-	-
£100,001 to £110,000	1	-
£110,001 to £120,000	-	1
£120,001 to £130,000	1	1
	<u> </u>	<u> </u>

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

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

7. 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, Director of Human Resources, Voluntary Services and Facilities, the Director of Supportive Care, and the Director of Finance and Information Technology. The total remuneration of the key management personnel was £518,510 (2019: £623,946).

8. TRUSTEES' EMOLUMENTS AND REIMBURSED EXPENSES

The Trustees received no emoluments for their services during the year ended 31 March 2020 (2019: nil). The Hospice paid expenses of £100 for Trustees during the year (2019: £nil). Total donations by Trustees were £8,999 (2019: £26,068).

9. GAINS AND LOSSES ON INVESTMENTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000
Realised gains on investment assets	24	-	24	2	-	2
Unrealised gains on investment assets	(296)	-	(296)	124	-	124
Total gains on investment assets	272	-	272	126	-	126

10. NET MOVEMENT IN FUNDS

	2020 £'000	2019 £'000
The net movement in funds is arrived at after charging/(crediting):		
Depreciation of fixed assets	233	263
Auditors remuneration	14	14
Other amounts paid to the auditors	6	-
Operating lease rental: land and buildings	221	227
Operating lease rental: equipment	15	10
	<u> </u>	<u> </u>

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

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

11. 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 2019	6,584	1,266	178	8,028
Additions	364	182	43	589
Disposals	-	-	-	-
At 31 March 2020	6,948	1,448	221	8,617
Depreciation				
At 1 April 2019	1,787	1,181	176	3,144
Disposal	-	-	-	-
Charge for the year	168	64	1	233
At 31 March 2020	1,955	1,245	177	3,377
Net book value				
At 31 March 2019	4,797	85	2	4,884
At 31 March 2020	4,993	203	44	5,240

Included in freehold land and buildings is land valued at £601,000 (2019: £601,000), which is not depreciated.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

12. FIXED ASSET INVESTMENTS	2020	2019
Group	£'000	£'000
Unlisted investments		
Investment property	250	250
The Hospice Lottery Partnership Ltd	85	85
Total unlisted investments	<u>335</u>	<u>335</u>
Listed investments		
Barclays Charity Fund	2,387	3,059
Total listed investments at market value	<u>2,387</u>	<u>3,059</u>
Total investments	<u>2,722</u>	<u>3,394</u>
Listed investments at historic cost	<u>2,584</u>	<u>2,315</u>
Charity		
Total Group investments	2,722	3,394
Investment in Hospice of St Francis Trading Ltd	40	40
Total investments	<u>2,762</u>	<u>3,434</u>

Gains on investments have resulted in a revaluation reserve of £408,000 at 31 March 2019 (2019: £704,000).

Included within fixed asset investments are:

- 40,000 shares (100%) (2019 – 40,000 shares 100%) in Hospice of St Francis Trading Ltd – see notes 4c, 4d and 22.
- 14 shares (16.67%) (2019 – 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 2020 show income for the year of £2,328,549 charitable donations of £1,352,074, and retained profits at 31 March 2020 of £131,429.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

13. ANALYSIS OF MOVEMENTS IN FIXED ASSET INVESTMENTS	2020	2019
	£'000	£'000
Group		
Carrying value of investments at 1 April 2019	3,394	2,402
Additions to investments at cost	100	2,980
Legacy	-	226
Disposals of investments at carrying value	(476)	(2,338)
Net (losses) / gains on revaluation	(296)	124
	<hr/>	<hr/>
Carrying value at 31 March 2020	2,722	3,394
	<hr/> <hr/>	<hr/> <hr/>
Charity		
Carrying value of investments at 1 April 2019	3,434	2,442
Additions to investments at cost	100	2,980
Legacy	-	226
Disposals of investments at carrying value	(476)	(2,338)
Net gain/(loss) on revaluation	(296)	124
	<hr/>	<hr/>
Carrying value at 31 March 2020	2,762	3,434
	<hr/> <hr/>	<hr/> <hr/>
14. DEBTORS	2020	2019
	£'000	£'000
Group		
Taxation recoverable	163	145
Other debtors	108	37
Prepayments	115	115
Accrued income	2,224	200
Total	2,610	497
	<hr/> <hr/>	<hr/> <hr/>
Charity		
Taxation recoverable	163	145
Amounts owed by group companies	104	65
Other debtors	99	38
Prepayments	106	100
Accrued income	2,199	200
Total	2,671	548
	<hr/> <hr/>	<hr/> <hr/>

Taxation recoverable comprises Gift Aid recoverable and VAT.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

15. CREDITORS: amounts falling due within one year	2020	2019
Group	£'000	£'000
Bank overdraft	-	251
Taxation and social security	84	86
Other creditors	234	218
Deferred income	27	42
Accruals	69	120
	<hr/>	<hr/>
Total	414	717
	<hr/> <hr/>	<hr/> <hr/>
Charity		
Bank overdraft	-	251
Taxation and social security	84	86
Other creditors	233	198
Deferred income	27	42
Accruals	64	120
	<hr/>	<hr/>
Total	408	697
	<hr/> <hr/>	<hr/> <hr/>

Included within other creditors is an amount outstanding at the year-end of £21k (2019: £21k) relating to the defined contribution pension schemes and £18k (2019: £19k) 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(H) having been met. All income deferred at 31 March 2019 was released in the year ended 31 March 2020.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

16a. FUNDS	Total		
	General Reserves £'000	Designated Reserves £'000	Unrestricted Reserves £'000
Group and charity			
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

Designated fund

The designated fund comprises the net book value of the building (£4,993k) 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).

16b. FUNDS – (comparative)

Group and charity	Total		
	General Reserves £'000	Designated Reserves £'000	Unrestricted Reserves £'000
At 1 April 2018	3,400	4,865	8,265
Income	5,899	-	5,899
Expenditure	(5,664)	(158)	(5,822)
Gain on investment assets	124	-	124
Transfers	(203)	195	(8)
At 31 March 2019	3,556	4,902	8,458

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

16c. FUNDS (continued)

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

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

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

16. FUNDS (continued)

16d. FUNDS (continued)

RESTRICTED FUNDS – (comparative)	01- Apr 2018	Income	Expenditure	Transfers	31-Mar 2019
	£'000	£'000	£'000	£'000	£'000
Group and charity					
Medical Cover at Watford General Hospital NHS Trust	-	44	(44)	-	-
Medical Cover at Rennie Grove Hospice Care	-	10	(10)	-	-
Hertfordshire Community NHS Trust – Community Cardiology Work	-	3	(3)	-	-
Chiltern Continuing Care Contracts	-	83	(83)	-	-
Herts Valley Clinical Commissioning Group	-	689	(689)	-	-
ABC End of Life care for Learning Disabilities	26	15	(11)	-	30
BBC Children In Need	-	36	(36)	-	-
St James Charitable Foundation (Palliative Rehabilitation)	-	20	(20)	7	7
Affinity Water Restricted Income	-	2	(2)	-	-
The Albert Hunt Trust	-	7	(7)	-	-
Other restricted donations	87	193	(105)	1	176
Total restricted funds	113	1,102	(1,010)	8	213

Restricted funds

The restricted funds at 31 March 2020 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.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

17. FUNDS (continued)

17a. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	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

17b. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted	Designated	Restricted	Total
	Funds £'000	Funds £'000	Funds £'000	2019 £'000
Tangible fixed assets	87	4,797	-	4,884
Investments	3,394	-	-	3,394
Current assets	792	105	213	1,110
Creditors: falling due within one year	(717)	-	-	(717)
Total	3,556	4,902	213	8,671

18. RELATED PARTIES

Transactions between the Charity and Hospice of St Francis Trading Limited were as follows: £150k (2019: £113k), being the profits donated to the Charity under the Gift Aid scheme. Expenses paid to Trustees and donations from Trustees are shown in Note 8.

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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

19. FINANCIAL COMMITMENTS	2020	2019
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	226	221
- from two to five years	531	661
- over five years	218	23
	<hr/>	<hr/>
Total land and buildings	975	905
	<hr/> <hr/>	<hr/> <hr/>
Equipment hire agreement		
Operating leases which expire:		
- within one year	15	11
- from two to five years	20	15
	<hr/>	<hr/>
Total equipment	35	26
	<hr/> <hr/>	<hr/> <hr/>
Total	1,010	931
	<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 £236k were expensed in the year ended 31 March 2020 (2019: £234k)

20. CAPITAL COMMITMENT

As at 31 March 2020 the Hospice had no capital commitments. Brought forward commitments of £290k were expended during the year and comprised works to refurbish the Spring Centre during the summer of 2019.

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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES	2020	2019
	£'000	£'000
Net movement in funds	1,955	293
Non cash donation (property)	-	(226)
Unrealised (losses) / profits on investments	296	(124)
Profit on the sale of investments	(24)	(2)
Depreciation	233	263
(Increase) in stocks	(1)	-
Decrease / (Increase) in debtors	(2,113)	534
(Decrease) / Increase in creditors	(52)	6
	<hr/>	<hr/>
Net cash used in operating activities	294	744
	<hr/> <hr/>	<hr/> <hr/>

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.

22. 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 4D.

	2020	2019
	£'000	£'000
Stocks	42	41
Debtors	37	15
Cash at bank and in hand	70	75
Creditors falling due within one year	(104)	(86)
	<hr/>	<hr/>
Net Assets	45	45
	<hr/>	<hr/>
Shareholders' equity	40	40
Profit and loss account	5	5
	<hr/>	<hr/>
Total Shareholders' funds	45	45
	<hr/> <hr/>	<hr/> <hr/>

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

23. ANALYSIS OF STATEMENT OF FINANCIAL ACTIVITIES BETWEEN CHARITY AND TRADING SUBSIDIARY

	2020			2019		
	Trading Subsidiary £'000	Charity £'000	Group Total £'000	Trading Subsidiary £'000	Charity £'000	Group Total £'000
Income						
Voluntary funds	-	5,362	5,362	-	3,949	3,949
Activities for generating funds	390	1,209	1,599	452	1,604	2,056
Investment income	-	11	11	-	1	1
Incoming resources from charitable activities	-	1,422	1,422	-	993	993
Other	25	583	608	-	-	-
Total Income	415	8,587	9,002	452	6,547	6,999
Expenditure						
Costs of generating voluntary income	-	454	454	-	567	567
Trading costs	265	1,691	1,956	339	1,674	2,013
Costs of charitable activities	-	4,341	4,341	-	4,252	4,252
Gift aid donation to Hospice of St Francis	150	(150)	-	113	(113)	-
Total Expenditure	415	6,336	6,751	452	6,380	6,832
Net operating surplus / (deficit) for the year	-	2,251	2,251	-	167	167
Realised and unrealised gains on investments	-	(296)	(296)	-	126	126
Total after adjustments	-	1,955	1,955	-	293	293

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2020

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (31 MARCH 2019)

	Unrestricted Funds	Designated Funds	Restricted Income Funds	Total	Total
	£'000	£'000	£'000	2019 £'000	2018 £'000
INCOME FROM (NOTE 4)					
Donations and legacies					
Donations	2,461	-	195	2,656	2,757
Legacies	1,347	-	-	1,347	1,079
Charitable activities					
NHS Grants for Hospice care	-	-	772	772	855
Other income from charitable activities	86	-	135	221	274
Other trading activities					
Trading and fundraising	289	-	-	289	335
Retail income	1,713	-	-	1,713	1,589
Investments	1	-	-	1	1
Other	2	-	-	2	8
Total income	5,899	-	1,102	7,001	6,898
EXPENDITURE ON:					
Raising funds (Note 5)					
Voluntary income	554	11	2	567	589
Trading activities	394	5	-	399	437
Retail activities	1,614	-	-	1,614	1,642
	2,562	16	2	2,580	2,668
Net income available for charitable activities	3,337	(16)	1,100	4,419	4,230
Charitable activities (Note 5)					
Inpatient unit	1,642	79	789	2,510	2,630
Community	728	7	22	757	823
Outpatients (Spring Centre)	403	32	48	483	493
Bereavement (Spring Centre)	58	8	89	155	171
Hospital	15	-	44	59	64
Education	256	16	16	288	344
	3,102	142	1,008	4,252	4,525
Total expenditure (Note 5)	5,664	158	1,010	6,832	7,193
Carried forward	5,664	158	1,010	6,832	7,193

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
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COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (31 MARCH 2019) (CONTINUED)

	Unrestricted Funds	Designated Funds	Restricted Income Funds	Total 2019 £000	Total 2018 £000
Total Expenditure brought forward	5,664	158	1,010	6,832	7,193
	235	(158)	92	169	(295)
Net gains on investments (Note 9)	124	-	-	124	116
Net income/(expenditure)	359	(158)	92	293	(179)
Transfers between funds	(203)	195	8	-	-
Net movement in funds	156	37	100	293	(179)
Total funds brought forward	3,400	4,865	113	8,378	8,557
Total funds carried forward	3,556	4,902	213	8,671	8,378