

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

**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**31 MARCH 2019**

Registered Charity Number: 280825

Company Number: 1507474

Registered Office: Hospice of St Francis (Berkhamsted) Limited  
Spring Garden Lane  
Berkhamsted Herts  
HP4 3GW

**HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED**  
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**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**CHAIR'S REPORT FOR THE YEAR ENDED 31 MARCH 2019**

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**Alison Woodhams, Chair of the Board of Trustees.**

As always it has been another busy year for the Hospice – and one that has built successfully on the developments and changes from the previous year. During the course of the year the Board has approved a revised set of strategic aims to better reflect the themes that are encompassed in our *#YourPreciousLife* narrative.

The revised aims are: -

- To be an outstanding Hospice
- To proactively manage our income
- To grow the ratio of volunteers to staff from 5:1 to 10:1
- To double our capacity to care by 2028.

Achieving these over the next few years will not be without its challenges but, in the year we are celebrating our 40th birthday, we need to emulate the vision and ambition demonstrated by those who founded the Hospice all those years ago.

During the year only one trustee stepped down – Susan Noble - who we thank for her contribution over the years including, particularly, her advice and support on our finances and our risk management processes. More recently we have appointed five new trustees, Hannah Richardson, Tim Symington, Shailen Rao, Massimo Petronio and Lynn Hunt. Their expertise in fundraising, finance, risk and general management, governance, pharmacy and medicines management ensures that these areas of technical skill continue to be well represented whilst their lived experience further enriches the expertise on the Board as a whole.

I am pleased to report that the new board committee structure that we finalised at the beginning of 2018 has bedded in well and our previous concerns over overlap and ensuring the necessary focus have been alleviated. The board continues to conduct effectiveness reviews on an annual basis and the results of our latest one were discussed as part of our strategy day earlier in the year. Whilst there is always room for improvement in board effectiveness our pro bono external facilitator for the review continues to tell us that our results are ones to which many other organisations can only aspire.

As outlined later in this report, we have made good progress in most areas against the planned objectives for the year. There has been much focus during the year on our building and ensuring that it remains fit for purpose against a background of changing need and care activities. This will culminate in some major building work over the summer.

In recognition of the need to maintain the quality of our facilities the board has agreed that we will now put aside 1.5% of our income each year to provide a capital fund for this kind of work. Together with grants and specific donations this should, hopefully, enable us to carry out this work without having to dip into unrestricted reserves.

**CHAIR'S REPORT FOR THE YEAR ENDED 31 MARCH 2019**

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**Alison Woodhams, Chair of the Board of Trustees – continued**

The decision to move to having only 10 beds open at all times, with a further 2 beds available as needed, has given us the flexibility to deliver a higher level of occupancy which has allowed us to maintain the number of inpatients that we have looked after. Post the building works this summer it is our aspiration to move up to having 12 beds open at all times. Along with moving our community nursing team to 7 day working, we have been helped further by the introduction of the Rapid Personalised Healthcare Service which we are piloting with Rennie Grove Hospice Care and Peace Hospice Care. This is enabling us to see more patients at home before they might have to be admitted and allows us to discharge patients earlier when appropriate. This is another example of collaboration between local hospices and the changing relationship with the NHS. We continue to work with the NHS as local structures change and are pro-actively pursuing opportunities available as part of the implementation of their recently published Long Term Plan.

In line with our intention to eliminate in year deficits by 2019/20 it is pleasing to see that in the year just finished we delivered a surplus of £293k. Whilst this was undoubtedly helped by a larger than average level of legacies in the year, we are also now seeing the benefits of an in depth review of our cost base and associated cost controls which means expenditure fell in the year without affecting our level of care. The fundraising environment for all charities, including the Hospice, remains tough. Our retail operations, which again made a net contribution of over £300k in the year, continue to deliver well above other organisations in the charity sector. As part of the changes in our fundraising department we are taking the opportunity to review all aspects of our fundraising programme to ensure we are best placed to maximise our income.

As we celebrate our 40th birthday we can look back over the past years at the wonderful care we have delivered to so many with the help of staff, volunteers, donors, and supporters in every sense of the word. We can also look forward to the future ensuring that we continue this care and reach as many people as possible.

Finally, as always, a huge thank you to everyone who supports the Hospice in any way – and who have supported us over the past 40 years. Without you none of this would have been possible.

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**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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  
 The Rt. Hon David Gauke, MP for South West Hertfordshire  
 Joan Gentry  
 Hilary McNair  
 Sir Mike Penning, MP for Hemel Hempstead  
 Charles Toner  
 Dr Peter Carter OBE  
 Dr Ros Taylor MBE

**BOARD OF TRUSTEES:**

**Membership of committees and directorships of  
subsidiary company**

Alison Woodhams (Chair)	
Julia Bolsom	FaR, IG
Sarah Byrt	CA, IG
Tim Curry	CG
Matthew Gorman	IG
Mark Hampton (Treasurer)	FaR, CA
Susan Noble (resigned September 2018)	FaR, CA
Dr Bernadine Tipple	CG
David Williams* (Deputy Chair)	CA, FaR, IG
Margaret Salmon	FaR, CG
Nick Hanling	FaR, CA
Tracy Moores*	IG, CG
Hannah Richardson (from December 2018)	IG
Tim Symington (from December 2018)	CA, FaR
Shailen Rao (from March 2019)	CG, IG
Massimo Petronio (from July 2019)	CA, FaR
Lynn Hunt (from September 2019)	FaR, CA

**Key to committee membership:**

**Board Committees**

Income Generation (IG)

Finance and Resources (FaR)

Clinical Governance (CG)

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**

<b>CHIEF EXECUTIVE:</b>	Kate Phipps-Wiltshire
<b>EXECUTIVE TEAM:</b>	David Brodala (Director of Trading & Productivity) to March 2019 Sharon Chadwick (Medical Director & Deputy CEO) 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) Joel Voysey (Director of Fundraising) to November 2018
<b>REGISTERED OFFICE:</b>	Hospice of St Francis Spring Garden Lane Berkhamsted Hertfordshire HP4 3GW
<b>COMPANY REGISTRATION NUMBER</b>	01507474 Registered in England and Wales
<b>CHARITY REGISTRATION NUMBER</b>	280825
Telephone:	01442 869550
Website:	<a href="http://www.stfrancis.org.uk">www.stfrancis.org.uk</a>
Email:	<a href="mailto:info@stfrancis.org.uk">info@stfrancis.org.uk</a>
Facebook:	facebook.com/thehospiceofstfrancis
Twitter:	@hospicstfrancis
Instagram:	@hospicestfrancis
<b>AUDITORS:</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
<b>BANKERS:</b>	Lloyds Bank PLC 205 High Street Berkhamsted Hertfordshire HP4 1AP
<b>SOLICITORS:</b>	SA Law 60 London Road St Albans Hertfordshire AL1 1NG
<b>INVESTMENT ADVISOR:</b>	Barclays Wealth, London 1 Churchill Place London E14 5HP

**REPORT OF THE BOARD OF TRUSTEES**  
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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 2019/20**

**To be an outstanding Hospice**

- To aim to retain our outstanding rating at the next CQC inspection.
- To review the accessibility of the Hospice building for staff, volunteers and members of the public who rely upon mobility equipment and audio-visual equipment in their daily lives.
- To scope an approach to income generation that is informed by the best in the sector nationally and overseas.

**To proactively manage our income**

- To ensure that our expenditure matches our income whilst maintaining an appropriate level of reserves.
- To re-launch the regular giving programme.
- To broaden our trading portfolio.
- To identify shared priorities for change with Herts Valley CCG linked to the NHS Long Term Plan that could be attractive for non-recurrent funding available in the 19/20 and 20/21 financial years.

**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).
- 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.
- To develop a total employee package and a structure for 'safe delegation' of responsibility for staff and in our volunteer roles.

**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
- To seek to attract larger transformational gifts (for example from major donors), in memory, in corporate partnerships and living legacies as well as smaller gifts and by successfully securing this type of funding from the NHS to make a step change in the way that we deliver care.
- To upgrade the information technology infrastructure.
- To complete the Spring Centre redevelopment capital project.



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**Achievements and performance in 2018/19**

This section of the report shows the progress we have made towards the objectives we identified in our 2017/18 report.

**Our plans for 2018/19 were:**

**Objective 1: Ensure we get the best possible value from our assets, particularly our building.**

We have commissioned a number of improvements in the Spring Centre to enable us to improve the assessment and treatment of patients. This work will be delivered in July and August 2019. We have secured the necessary funding from trusts to undertake this work.

In addition, we are planning to replace the faulty hot water pipes. With the help of CRASH, a charity that assists hospices with construction related projects, we have identified the reasons, secured insurance cover, tendered and commissioned a building contractor to deliver pipes replacement throughout the Spring Garden site in July and August 2019.

**Other projects include:**

- The Breedon paths which form part of the walking circuit around the Hospice used by both patients for exercise programmes and visitors and staff have been re-laid due to their poor condition. At the same time we took the opportunity to lay an additional paved path adjacent to the Spring Centre to improve the rehabilitation exercise circuit programme for patients. Other paths in the gardens were also identified as requiring repair or repaving due to their condition and these are identified on our capital projects plan as a priority.
- Additional parking spaces were created by converting an unused pathway and flower bed behind the disabled parking near the Spring Centre in an effort to ease parking problems experienced on a daily basis.
- Security was improved by upgrading the obsolete analogue CCTV system to a digital system, vastly improving picture quality and image capture.
- We purchased and installed a new AidCall system to improve patient safety.
- Due to site movement our drains have been compromised making them liable to blocking or flooding. Emergency work has been carried out to clear some collapsed drains but further work is still required and it is hoped will be carried out in 2019.
- A fire audit highlighted several areas of potential non-compliance. Remedial work rectifying the major issues has been carried out however this work will continue during the year ahead to address other actions.
- Facilities contracts have been brought in house to ensure effective management and cost control; all plant and equipment now has regular maintenance programmes in place.
- A small project group was set up to investigate how the principles of Maggie's Centres might be applied in the Hospice setting and recommendations will be made in due course.

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**Achievements and performance in 2018/19 – (continued)**

**Objective 2: Increase diversity**

**To improve diversity within the Hospice's community by identifying and overcoming factors that prevent entry and access for patients and families, volunteers and employees.**

Key actions this year have been:

- Our commitment to increase the diversity of our Board included a review of the key skills and experiences of Trustees in diverse organisation, technical expertise and lived experience being valued equally. Our recruitment campaign this year and going forward reflects this.
- A volunteer survey and information audit was completed in March 2019 to enable us to understand the composition of our workforce and identify specific knowledge and expertise which will help us further our objective to widen access. This information should enable us to monitor progress on our key performance indicators.
- We harmonised the datasets for patients and staff/volunteers to monitor the ethnicity of those accessing care or involved in the Hospice.
- We improved community contacts – our Head of Volunteering and Chaplain have connected with various community groups to build relationships – e.g. interview on local radio to raise awareness of services and share about our objective to 'open up hospice care.'
- Our approach to communication showcases the experience of those people who for reasons of age, culture and ethnicity are in the minority of the people who make up the hospice, as patients, families, volunteers or staff to make it easier to see the Hospice of St Francis is there for everyone
- We proactively celebrate the range of religious and cultural festivals observed in Hertfordshire and Buckinghamshire and introduced a Hospice led celebration of Diwali.
- We introduced a new mandatory training programme on understanding and overcoming unconscious bias for Trustees and all staff and volunteers.
- A staff survey was held to identify those who would like to be involved in moving the diversity of the Hospice forwards and key skills to further this e.g. languages spoken in addition to English.

**Objective 3: Strengthen communications**

**To develop a new communications strategy that will make it easier for supporters to contact and stay in touch with the Hospice**

Our three year communications strategy has six different elements to it: sharing our new *#YourPreciousLife* messaging far and wide; developing our influencer marketing; introducing integrated marketing campaigns; improving the ability to join our network and refreshing how we communicate with that network and running our busy press office including the promotion of all our clinical and fundraising events.

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**Achievements and performance in 2018/19 – (continued)**

**To develop a new communications strategy that will make it easier for supporters to contact and stay in touch with the Hospice – (continued)**

In year one, the focus has been developing collateral that can be used Hospice-wide including shared descriptors, imagery and language, presenting a unified message to stakeholders. We were pleased to receive nearly 120 specific mentions in the digital and media space relating to how we help people to live their precious life well. The *#YourPreciousLife* narrative helps us to communicate how the Hospice is not just for the last days of life and how we can help people live well with a life-limiting condition. We are promoting this message in a targeted campaign, using a whole variety of marketing techniques, to raise awareness that you can self-refer to access our care. We are seeing a steady rise of people doing that (rather than going via their GP) and expect to see numbers rise as a direct result of this work during 2019.

Our other major campaign in 2019 is promoting that The Hospice of St Francis is 40 years old and this campaign has been six months in the planning. The aim of the campaign is to ignite interest in the Hospice amongst the general public and reconnect with past supporters, volunteers and beneficiaries' families to encourage renewed interaction with our charity. We are undertaking a huge volume of media work here and have written many stories from people's past experiences of our care.

In 2018/9, we refreshed the home page on our website to improve its signposting, messaging and donation pathway. The bounce rate has gone down and visitor numbers are increasing. We are particularly proud of our updated supporter communication – our monthly e-news which goes to over 8,500 supporters, and rising, every month showcasing how their money is helping and ways they can get involved with our care. Our updated A5 newsletter has also been well received.

As part of our remit we are working on getting more people to visit the Hospice as directly seeing our building and hearing what we do first hand stimulates interest and support. The opening of our new RHS Chelsea Myeloma UK Garden event saw 400 people visit the Hospice last September and we are planning a Hospice open day this September. Alongside all our campaign work, the daily importance of publicising individual fundraising events, internal communications, devising clinical literature and the management of our social media accounts remains a constant and vital part of the team's responsibility.

The strategy continues for 2020 where we will be focusing on the Hospice's goal of reaching more people and encouraging people to 'fortify us' for the future. Our focus will be on a whole website review, increasing our influencer marketing and developing our digital interaction with both beneficiaries and supporters.

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**Achievements and performance in 2018/19 – (continued)**

**Objective 4: Double our capacity to care by 2028**

**To optimise flow in the Inpatient Unit (IPU) and improve take up of ‘Spring Centre’ care.**

Please see the section headed “Quality Performance and Clinical Statistics” on page 22 which, in addition to the quality performance and statistics, also sets out in detail how this objective has been achieved.

**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;
- 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**

**Financial risks.** The principal risks for The Hospice are liquidity risk and investment performance risk.

**Income generation risks.** Reduced income due to the economic environment affecting donors or statutory income, or to regulatory changes.

**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.

**Reputational risks.** Incidents, omissions or press coverage which damage the Hospice's reputation.

**Care delivery risks.** Risks relating to patient experience.

**Staff risks.** Risks relating to recruitment and retention of staff and volunteers.

**Management / mitigation**

- 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, liquidity and real terms growth
- Continued engagement with NHS commissioners
- Strategic income generation plans
- Diversification of income where possible
- Community engagement
  
- Training and 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
- 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
- Staff training
- Hospice policies and procedures regularly updated and communicated
- Implementation of new electronic patient records system to allow Hospice participation in EPaCCS
- 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 £0.1m in the year to £7.0m. The Hospice’s work is mainly funded by a mixture of donations, income from our retail activities, legacies, earned income from service delivery and grants. Donated income fell by £155k to £2.6m, whilst legacy income, which is inherently a variable income stream, increased by £0.3m to £1.3m.

	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
Total income	5,847	6,560	6,207	6,898	7,001
Costs of income generation	2,577	2,636	2,579	2,668	2,580
Spending on charitable activities	3,877	4,344	4,626	4,525	4,252
Total reserves	9,782	9,325	8,557	8,378	8,671

Income from charitable activities fell by £0.1m to £1.1m. This category includes NHS grants and direct payments for service delivery, as well as restricted grants from other organisations to directly support services; however, trading, fundraising and retail income increased by £132k to £2.0m. 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 2018/19 the Hospice accounted for £342k 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 £1m, 37% of the sums raised.

**Performance of material fundraising activities**

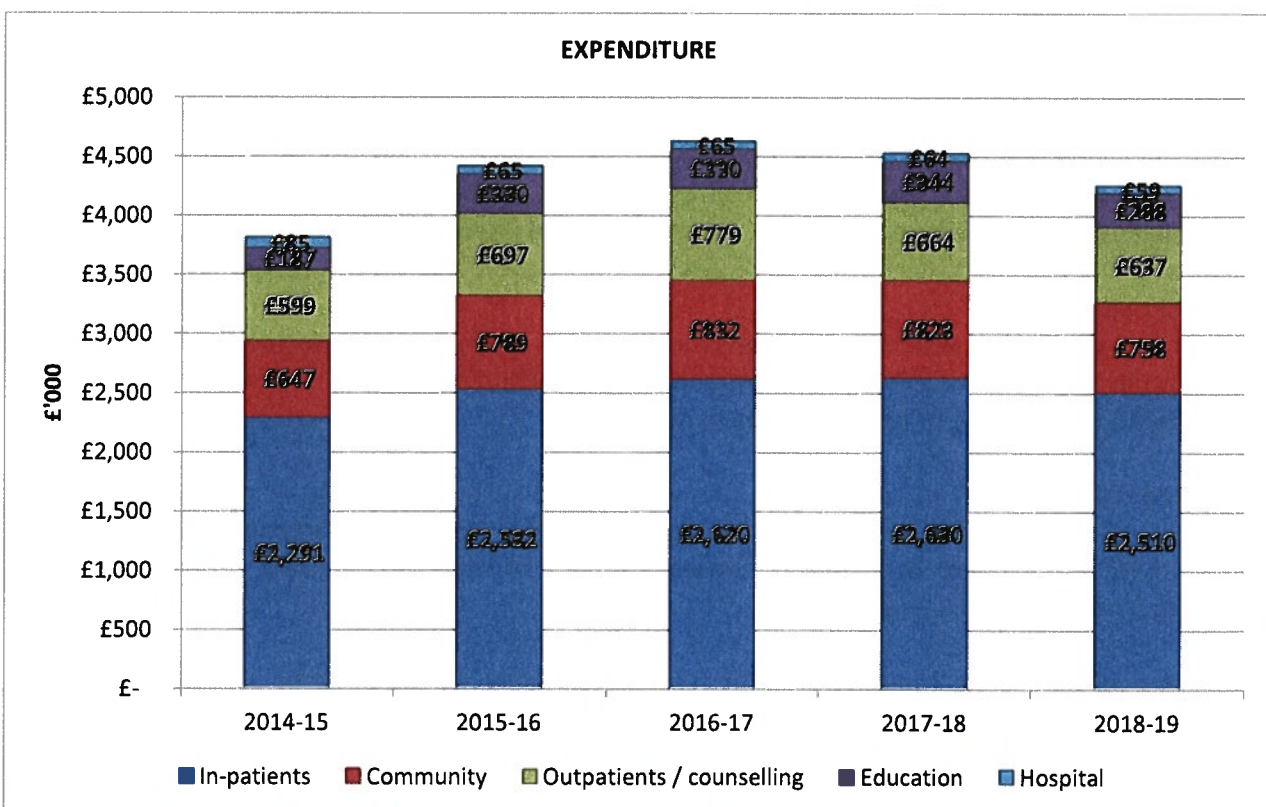
Once again the Hospice has benefited from the significant goodwill of our community, with fundraising events continuing to perform strongly. Membership of the Corporate Partners Network has exceeded 200 members this year. The quality of our work with patients and families and our positive relationship management continue to create positive results with in-memoriam giving.

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**FINANCIAL REVIEW – continued**

Our total expenditure was £6.8m (2018: £7.2m) a reduction of 5% compared to the previous year.

We spent £4.3m on our charitable activities in the year (2018: £4.5m), in percentage terms a reduction of 6%, this is as a result of savings in expenditure in line with our strategy to reduce costs. Expenditure on the Inpatient Unit, which accounts for 59% of total charitable expenditure fell by 5% as the number of occupied beds changed. We ran 10 beds at 94% occupancy compared to 12 beds at 85% occupancy. Inpatient costs are comparably higher than other care costs because 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. This enables us to provide a comprehensive patient and family service to people who need our specialist palliative care team available to them 24/7. 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.



The cost of generating income, which includes retail, trading and fundraising activities also fell by 3% to £2.6m (2018: £2.7m), 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 the 2019 to 2022 period projects a balanced budget for 2019-20 and going forward.

**Reserves**

	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£’000</b>	<b>£’000</b>	<b>£’000</b>	<b>£’000</b>	<b>£’000</b>
Restricted reserves	4	26	57	113	213
Designated reserves	5,314	5,167	5,022	4,865	4,902
Unrestricted reserves	4,464	4,132	3,478	3,400	3,556
<b>Total reserves</b>	<b>9,782</b>	<b>9,324</b>	<b>8,557</b>	<b>8,378</b>	<b>8,671</b>

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.

**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. 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



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**FINANCIAL REVIEW – continued**

The resulting calculation provides a minimum level of reserves required. In 2018/19, it was calculated that we required unrestricted reserves amounting to at least 6 months charitable spending which equates to £3.3m for this financial year. At 31 March 2019, the Hospice's unrestricted reserves were £3.5m, representing approximately 6.3 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 with a bias towards fixed income and cash. Liquidity is a major consideration in all investment decisions.
- **Social, environmental and ethical considerations:** The Hospice will not invest directly in tobacco-related companies.

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

**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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 2018/19, the Hospice continued to benefit from its work with the Hospice Lottery Partnership (HLP), a not for profit organisation which raises funds for five local hospice charities, with Directors nominated by each hospice sitting on the HLP board. HLP promotes a weekly society lottery to individuals across the shared catchment area of its hospice partners. It has robust policies in place to ensure compliance with fundraising and gambling regulation, paying particular regard to the requirement to treat vulnerable people with due care and to treat all lottery players and donors fairly. 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 (2018:8).

Our ability to generate income remains on our strategic risk register. In assessing the increasingly difficult external financial environment for all charities, the Board of Trustees adjusted the committee structure to create a committee dedicated to income generation activity. As part of an organisation-wide restructure, clear and consistent leadership roles with clear accountability for fundraising activities were implemented during 2018/19. The performance of our legacy income remained strong. A number of new initiatives in our corporate, major donor and community and events fundraising programmes give us confidence that our financial plans for income can be achieved.

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

**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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 2019 there were 13 Trustees. Membership of the Board is set out on page 5 of this report.

At 31 March 2019, 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

From April 2018, the remits of the Finance & Income Generation and Resources Committees were re-allocated to form the Finance & Resources and Income Generation Committees.

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

**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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.

**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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 2019, there were over 1,300 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, the Director of Fundraising, the Director of Trading and Productivity 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. In 2018/19, two of these posts became part time posts, taking the number of part-time director roles to five.

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.

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

**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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 and procedures and patient feedback are reported to the Director of Care. Medicines Management was a key focus of the clinical governance committee in 2018/19. The Hospice participated in external peer review audit 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.

In 2018/19 221 patients came into the In Patient Unit. The average length of stay was 11 days. The range was 4 hours to 12 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. 75% 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; or that some stays were extended in the process of planning safe discharge home. This year 40 patients were admitted to the In-patient unit out of hours preventing 40 un-planned hospital admissions.

The full implementation of the Rapid Personalised Care Service and the extension to 7 days working by our community team, together with a small expansion in our social work and rehabilitation capacity have improved the flow in the second half of 2018/19. The demand for in-patient care continues to fluctuate with peaks in demand affecting waiting times for admission. We have flexed up to 11/12 admissions in response to patient need and saw an average at 94% occupancy across 10 beds in 18/19. Having delivered the productivity savings (moving from 12 beds at 85% occupancy to 10 beds at planned 90% occupancy), and with the changes in Hospice bed capacity in the wider STP, stepping back up to 12 beds is 19/20 is being explored. During the period from 1<sup>st</sup> October 2018 to March 2019 we focussed on monitoring specialist rehabilitative palliative care on the Inpatient Unit: 73 patients received 350 individual sessions of rehabilitative palliative care (average of 5 sessions per patient).

The Hospice had 640 patient referrals into all its services, of these 520 were new referrals and 120 re-referrals. The typical average open case load at any one time for the Hospice as a whole was 889 and the Hospice supported over 2,000 people - patients and families - in the course of the year. There were a total of 2,459 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 are offered an advance care planning conversation within 3 contacts if appropriate (ACP is not always appropriate for people on a curative pathway).

**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**Quality Performance and Clinical Statistics - continued**

The Hospice had 117 individual adult patients visit the Spring Centre on average per month. The Hospice supported on average 31 children per month in the Spring Centre through its one to one and group sessions.

In 2017/18 we selected a quality and outcomes tool called the “Well-being Star” and 57 patients had active well-being stars; there was a 44% increase in 2018/19 in the number of patients able to measure their own goals and outcomes in this way.

Telephone bereavement services provided 1,765 bereavement support calls to family members offering a space for reflection, support and intervention where required. The Hospice’s bereavement services provide support to adults, children and young people.

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. With 256 carers receiving a specialist Carers Support Need Assessment [CSNAT] in 2018. 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.

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

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### 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:

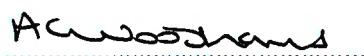
- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### 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**

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### **Opinion**

We have audited the financial statements of Hospice of St Francis (Berkhamsted) Limited for the year ended 31 March 2019 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 2019 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](http://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

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- 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.

  
**Murtaza Jessa (Senior Statutory Auditor)**

10 Queen Street Place

For and on behalf of Haysmacintyre LLP

Statutory Auditors, London

EC4R 1AG

31 October 2019.

**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 2019**

	Unrestricted Funds	Designated Funds	Restricted Income Funds	Total	Total
	£'000	£'000	£'000	2019 £'000	2018 £'000
<b>INCOME FROM (NOTE 4)</b>					
<b>Donations and legacies</b>					
Donations	2,461	-	195	2,656	2,757
Legacies	1,347	-	-	1,347	1,079
<b>Charitable activities</b>					
NHS Grants for Hospice care	-	-	772	772	855
Other income from charitable activities	86	-	135	221	274
<b>Other trading activities</b>					
Trading and fundraising	289	-	-	289	335
Retail income	1,713	-	-	1,713	1,589
Investments	1	-	-	1	1
Other	2	-	-	2	8
<b>Total income</b>	<b>5,899</b>	<b>-</b>	<b>1,102</b>	<b>7,001</b>	<b>6,898</b>
<b>EXPENDITURE ON:</b>					
<b>Raising funds (Note 5)</b>					
Voluntary income	554	11	2	567	589
Trading activities	394	5	-	399	437
Retail activities	1,614	-	-	1,614	1,642
	<b>2,562</b>	<b>16</b>	<b>2</b>	<b>2,580</b>	<b>2,668</b>
<b>Net income available for charitable activities</b>	<b>3,337</b>	<b>(16)</b>	<b>1,100</b>	<b>4,419</b>	<b>4,230</b>
<b>Charitable activities (Note 5)</b>					
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
	<b>3,102</b>	<b>142</b>	<b>1,008</b>	<b>4,252</b>	<b>4,525</b>
<b>Total expenditure (Note 5)</b>					
<b>Carried forward</b>	<b>5,664</b>	<b>158</b>	<b>1,010</b>	<b>6,832</b>	<b>7,193</b>

**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 2019

	Unrestricted Funds	Designated Funds	Restricted Income Funds	Total 2019 £000	Total 2018 £000
<b>Total Expenditure brought forward</b>	<b>5,664</b>	<b>158</b>	<b>1,010</b>	<b>6,832</b>	<b>7,193</b>
	235	(158)	92	169	(295)
Net gains on investments (Note 9)	124	-	-	124	116
<b>Net income/(expenditure)</b>	<b>359</b>	<b>(158)</b>	<b>92</b>	<b>293</b>	<b>(179)</b>
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
<b>Total funds carried forward</b>	<b>3,556</b>	<b>4,902</b>	<b>213</b>	<b>8,671</b>	<b>8,378</b>

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



**CONSOLIDATED AND CHARITY BALANCE SHEETS**  
**AS AT 31 MARCH 2019**

Company Number: 1507474

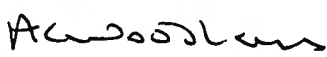
	Note	Group		Charity	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>FIXED ASSETS</b>					
Tangible fixed assets	11	4,884	5,075	4,884	5,075
Investments	12,13	3,394	2,402	3,434	2,442
<b>TOTAL FIXED ASSETS</b>		<b>8,278</b>	<b>7,477</b>	<b>8,318</b>	<b>7,517</b>
<b>CURRENT ASSETS</b>					
Stocks for goods for resale		41	41	-	-
Debtors	14	497	1,031	548	1,091
Cash at bank and in hand		572	289	497	216
<b>TOTAL CURRENT ASSETS</b>		<b>1,110</b>	<b>1,361</b>	<b>1,045</b>	<b>1,307</b>
<b>CREDITORS: amounts falling due within one year</b>	15	(717)	(460)	(697)	(451)
<b>NET CURRENT ASSETS</b>		<b>393</b>	<b>901</b>	<b>348</b>	<b>856</b>
<b>NET ASSETS</b>		<b>8,671</b>	<b>8,378</b>	<b>8,666</b>	<b>8,373</b>
<b>FUNDS OF THE CHARITY</b>					
Unrestricted funds	16	3,556	3,400	3,551	3,395
Designated funds		4,902	4,865	4,902	4,865
Restricted funds		213	113	213	113
<b>TOTAL CHARITY FUNDS</b>		<b>8,671</b>	<b>8,378</b>	<b>8,666</b>	<b>8,373</b>


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 2018 is included within note 24.

The surplus of the charity before consolidation of its subsidiary was £293k (2018: £179k deficit).

The Accounts were approved and authorised for issue by the Board on 23/10/2019 and were signed below on its behalf by

  
.....  
Alison Woodhams  
Chair

  
.....  
Mark Hampton  
Treasurer

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

**CONSOLIDATED CASH FLOW STATEMENT**  
**AS AT 31 MARCH 2019**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Cash flows from operating activities (Note 21)	744	(527)
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(72)	-
Proceeds from the sale of investments	2	501
Net cash invested	(642)	-
	<u>(712)</u>	<u>501</u>
Increase / (decrease) in cash and cash equivalents in the year	32	(26)
Cash and cash equivalents at the beginning of the year	289	315
Cash and cash equivalents at the end of the year	<u>321</u>	<u>289</u>
<b>Analysis of cash and cash equivalents</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	572	289
Bank overdraft	(251)	-
<b>Total cash and cash equivalents</b>	<u><u>321</u></u>	<u><u>289</u></u>

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

**NOTES TO THE ACCOUNTS**  
**AS AT 31 MARCH 2019**

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**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. The review of our financial position, reserves levels and future plans gives Trustees confidence 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 2019, they comprised the total cost of the building, net of depreciation.

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

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

**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

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**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.



**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

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**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**  
**(Company limited by guarantee)**

**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

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**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 company'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 2019 amounted to £5,593 (2018 - £7,132) and was written off during the year.

**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 2019.

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 2019.

**HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED**  
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**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

	Unrestricted Income Funds £'000	Restricted Income Funds £'000	Total 2019 £'000	Unrestricted Income Funds £'000	Restricted Income Funds £'000	Total 2018 £'000
<b>4. ANALYSIS OF INCOME</b>						
<b>a) Donations and legacies</b>						
Memorials register	286	-	286	377	-	377
Donations from individuals and companies	1,574	-	1,574	1,552	52	1,604
Trusts	-	195	195	171	-	171
Donations received through the retail gift aid scheme	342	-	342	357	-	357
Collecting boxes	58	-	58	69	-	69
Lottery	201	-	201	179	-	179
<b>Total donations</b>	<b>2,461</b>	<b>195</b>	<b>2,656</b>	<b>2,705</b>	<b>-</b>	<b>2,757</b>
<b>Legacies</b>	<b>1,347</b>	<b>-</b>	<b>1,347</b>	<b>1,079</b>	<b>-</b>	<b>1,079</b>
<b>b) Income from other trading activities: trading and fundraising</b>						
Fundraising events	238	-	238	293	-	293
Providing goods and services, other than for the benefit of the charity's beneficiaries	50	-	50	41	-	41
Letting property held primarily for the functional use of the charity	1	-	1	1	-	1
<b>Trading and fundraising</b>	<b>289</b>	<b>-</b>	<b>289</b>	<b>335</b>	<b>-</b>	<b>335</b>
<b>c) Income from other trading activities: retail shop sales</b>	<b>1,713</b>	<b>-</b>	<b>1,713</b>	<b>1,589</b>	<b>-</b>	<b>1,589</b>
<b>Total retail income</b>	<b>1,713</b>	<b>-</b>	<b>1,713</b>	<b>1,589</b>	<b>-</b>	<b>1,589</b>

**Trading operations**

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

**HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED**  
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**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

**4. ANALYSIS OF INCOME (continued)**

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

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Retail income	1,713	1,589
Gift aided donations through the shops (including gift aid)	342	357
<b>Total income</b>	<b>2,055</b>	<b>1,946</b>
Retail costs	1,745	1,642
Contributions made by retail operations	310	304

**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:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	452	478
Cost of sales	(170)	(177)
Operating costs	(169)	(202)
Amounts donated to Hospice of St Francis (Berkhamsted) Ltd under the Gift Aid scheme	(113)	(99)
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 2019 turnover above is £83,792 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**  
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**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

**f) Investment income**

	Unrestricted Funds £'000	Restricted Income Funds £'000	Total 2019 £'000	Unrestricted Funds £'000	Restricted Income Funds £'000	Total 2018 £'000
Total investment income	1	-	1	1	-	1

**g) Income from charitable activities**

**NHS income for service provision**

Hertfordshire	-	689	689	-	707	707
Buckinghamshire	-	83	83	-	148	148
<b>Total NHS income for service provision</b>	<b>-</b>	<b>772</b>	<b>772</b>	<b>-</b>	<b>855</b>	<b>855</b>

**NHS income for specific projects**

Watford General Hospital	-	44	44	-	33	33
Kilfillan Nursing Home	-	-	-	-	3	3
Hertfordshire Community Cardiology Consultant	-	3	3	-	3	3
<b>Total NHS income for specific projects</b>	<b>-</b>	<b>47</b>	<b>47</b>	<b>-</b>	<b>39</b>	<b>39</b>

**Charitable income from other sources**

Service contracts	-	-	-	-	36	36
Grants from Macmillan Cancer Support	-	2	2	-	21	21
Grants from BBC Children in Need	-	36	36	-	20	20
Grant from The St. James's Place Foundation	-	20	20	-	26	26
Other income	86	30	116	92	40	132
<b>Total charitable income from other sources</b>	<b>86</b>	<b>88</b>	<b>174</b>	<b>92</b>	<b>143</b>	<b>235</b>

<b>Total income from charitable activities</b>	<b>86</b>	<b>135</b>	<b>221</b>	<b>92</b>	<b>182</b>	<b>274</b>
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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 2019**

**5. ANALYSIS OF EXPENDITURE**

	Direct costs	Direct costs	Support costs	Total	Direct costs	Direct costs	Support costs	Total
	Staff	Other	Costs	2019	Staff	Other	Costs	2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Raising funds:</b>								
Costs of generating voluntary income	384	158	25	567	369	196	24	589
Costs of trading and fundraising	212	173	14	399	244	179	14	437
Cost of retail activities	793	744	77	1,614	787	781	74	1,642
	1,389	1,075	116	2,580	1,400	1,156	112	2,668
<b>Charitable activities:</b>								
Inpatient unit	1,708	643	159	2,510	1,827	651	152	2,630
Community	672	63	22	758	738	64	21	823
Outpatients (Spring Centre)	351	112	20	482	360	114	19	493
Bereavement (Spring Centre)	124	22	9	155	139	23	9	171
Hospital	41	17	1	59	44	19	1	64
Education	191	85	12	288	243	89	12	344
	3,087	942	223	4,252	3,351	960	214	4,525
<b>Total</b>	<b>4,476</b>	<b>2,017</b>	<b>339</b>	<b>6,832</b>	<b>4,751</b>	<b>2,116</b>	<b>326</b>	<b>7,193</b>

Shared clinical costs have been allocated according to a formula which reflects the Hospice's best assessment of activity levels in the different services offered. Costs of retail activities include £170k of stock recognised as an expense in the year ended 31 March 2019 (2018: £176k).

**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

**6. SUPPORT COSTS**

	Administration and HR Costs	Professional Fees	Governance	2019				2018			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Costs of generating voluntary income	20	-	5	25	17	1	6	24			
Cost of trading and fundraising	11	-	3	14	10	-	4	14			
Cost of retail activities	61	2	14	77	53	2	19	74			
	92	2	22	116	80	3	29	112			
<b>Charitable activities</b>											
Inpatient unit	125	3	31	159	108	4	40	152			
Community	18	-	4	22	15	1	5	21			
Outpatients (Spring Centre)	15	-	5	20	13	1	5	19			
Bereavement (Spring Centre)	7	-	2	9	6	-	3	9			
Hospital	1	-	-	1	1	-	-	1			
Education	10	-	2	12	8	1	3	12			
	176	3	44	223	151	7	56	214			
<b>Total</b>	268	5	66	339	231	10	85	326			

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 2019**

**6. SUPPORT COSTS (continued)**

Governance costs comprise the following:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<b>Governance costs</b>		
Auditors remuneration - external audit	14	13
Auditors remuneration - other advice	1	-
Salaries	48	66
Other costs	3	6
	<u>66</u>	<u>85</u>
<b>Total</b>	<u><u>66</u></u>	<u><u>85</u></u>

**7. STAFF NUMBERS AND EMOLUMENTS**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Gross wages and salaries	4,023	4,222
Employer's national insurance costs	335	361
Employers' pension costs	328	360
Redundancy payments	51	11
	<u>4,737</u>	<u>4,954</u>
<b>Total Payroll costs</b>	<u><u>4,737</u></u>	<u><u>4,954</u></u>

<b>Average number of employees in the year, excluding bank staff</b>	<b>Number</b>	<b>Number</b>
Charitable activities	65.6	72.8
Fundraising and retail	28.3	35.8
Support services	22.0	20.0
	<u>115.9</u>	<u>128.6</u>
<b>Average number of staff</b>	<u><u>115.9</u></u>	<u><u>128.6</u></u>

**Highest paid employees**

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

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



**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

**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, the Director of Care, the Director of Fundraising, the Director of Trading and Productivity and the Director of Finance and Information Technology. The total remuneration of the key management personnel was £623,946 (2018: £585,386).

**8. TRUSTEES' EMOLUMENTS AND REIMBURSED EXPENSES**

The Trustees received no emoluments for their services during the year ended 31 March 2019 (2018: nil). The Hospice paid expenses of £nil for Trustees during the year (2018: £nil). Total donations by Trustees were £26,068 (2018: £16,704).

**9. GAINS AND LOSSES ON INVESTMENTS**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000
Realised gains on investment assets	2	-	2	8	-	8
Unrealised gains on investment assets	124	-	124	116	-	116
<b>Total gains on investment assets</b>	<b>126</b>	<b>-</b>	<b>126</b>	<b>124</b>	<b>-</b>	<b>124</b>

**10. NET MOVEMENT IN FUNDS**

	2019 £'000	2018 £'000
<b>The net movement in funds is arrived at after charging/(crediting):</b>		
Depreciation of fixed assets	263	303
Auditors remuneration	14	13
Other amounts paid to the auditors	1	-
Operating lease rental: land and buildings	227	220
Operating lease rental: equipment	10	15
	<u>          </u>	<u>          </u>

**HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED**  
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**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

**11. TANGIBLE FIXED ASSETS**

	Freehold land and buildings	Furniture and equipment	Shops' fixtures and Fittings	Total
	£'000	£'000	£'000	£'000
<b>Group and Charity</b>				
<b>Cost</b>				
At 1 April 2018	6,556	1,223	177	7,956
Additions	28	43	1	72
Disposals	-	-	-	-
<b>At 31 March 2019</b>	<b>6,584</b>	<b>1,266</b>	<b>178</b>	<b>8,028</b>
<b>Depreciation</b>				
At 1 April 2018	1,636	1,069	176	2,881
Disposal	-	-	-	-
Charge for the year	151	112	-	263
<b>At 31 March 2019</b>	<b>1,787</b>	<b>1,181</b>	<b>176</b>	<b>3,144</b>
<b>Net book value</b>				
At 31 March 2018	<u>4,920</u>	<u>154</u>	<u>1</u>	<u>5,075</u>
At 31 March 2019	<u>4,797</u>	<u>85</u>	<u>2</u>	<u>4,884</u>

Included in freehold land and buildings is land valued at £601,000 (2018: £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 2019**

12. FIXED ASSET INVESTMENTS	2019	2018
	£'000	£'000
<b>Group</b>		
<b>Unlisted investments</b>		
Investment property	250	-
The Hospice Lottery Partnership Ltd	85	85
<b>Total unlisted investments</b>	335	85
<b>Listed investments</b>		
Barclays Charity Fund	3,059	-
ishares V PLC-iShares MSCI	-	1,145
Jupiter Global Fund	-	513
PIMCO funds	-	376
M&G Property Portfolio Shares	-	283
<b>Total listed investments at market value</b>	3,059	2,317
<b>Total investments</b>	3,394	2,402
<b>Listed investments at historic cost</b>	2,960	2,315
<b>Charity</b>		
Total Group investments	3,394	2,402
Investment in Hospice of St Francis Trading Ltd	40	40
<b>Total investments</b>	3,434	2,442

Gains on investments have resulted in a revaluation reserve of £704,000 at 31 March 2019 (2018: £580,000).

Included within fixed asset investments are:

- 40,000 shares (100%) (2018 – 40,000 shares 100%) in Hospice of St Francis Trading Ltd – see notes 4c, 4d and 22.
- 14 shares (16.67%) (2018 – 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 2019 show income for the year of £2,063,276 charitable donations of £1,237,500, and retained profits at 31 March 2019 of £40,327.

**HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED**  
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**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

<b>13. ANALYSIS OF MOVEMENTS IN FIXED ASSET INVESTMENTS</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<b>Group</b>		
Carrying value of investments at 1 April 2018	2,402	2,779
Additions to investments at cost	2,980	-
Legacy	226	-
Disposals of investments at carrying value	(2,338)	(493)
Net gain on revaluation	124	116
<b>Carrying value at 31 March 2019</b>	<b>3,394</b>	<b>2,402</b>
<b>Charity</b>		
Carrying value of investments at 1 April 2018	2,442	2,819
Additions to investments at cost	2,980	-
Legacy	226	-
Disposals of investments at carrying value	(2,338)	(493)
Net gain/(loss) on revaluation	124	116
<b>Carrying value at 31 March 2019</b>	<b>3,434</b>	<b>2,442</b>
<b>14. DEBTORS</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<b>Group</b>		
Taxation recoverable	145	73
Other debtors	37	40
Prepayments	115	129
Accrued income	200	789
<b>Total</b>	<b>497</b>	<b>1,031</b>
<b>Charity</b>		
Taxation recoverable	145	73
Amounts owed by group companies	65	74
Other debtors	38	38
Prepayments	100	117
Accrued income	200	789
<b>Total</b>	<b>548</b>	<b>1,091</b>

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 2019**

15. CREDITORS: amounts falling due within one year	2019	2018
	£'000	£'000
<b>Group</b>		
Bank overdraft	251	-
Taxation and social security	86	90
Other creditors	218	191
Deferred income	42	128
Accruals	120	51
	<hr/>	<hr/>
<b>Total</b>	717	460
	<hr/> <hr/>	<hr/> <hr/>
<b>Charity</b>		
Bank overdraft	251	-
Taxation and social security	86	90
Other creditors	198	188
Deferred income	42	128
Accruals	120	45
	<hr/>	<hr/>
<b>Total</b>	697	451
	<hr/> <hr/>	<hr/> <hr/>

Included within other creditors is an amount outstanding at the year-end of £21k (2018: £21k) relating to the defined contribution pension schemes and £16k (2018: £21k) 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.

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 2018 was released in the year ended 31 March 2019.

**HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED**  
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**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

<b>16a. FUNDS</b>	<b>General</b>	<b>Designated</b>	<b>Total</b>
<b>Group and charity</b>	<b>Reserves</b>	<b>Reserves</b>	<b>Reserves</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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)
<b>At 31 March 2019</b>	<b>3,556</b>	<b>4,902</b>	<b>8,458</b>

**Designated fund**

The designated fund comprises the net book value of the building (£4,797k) from which the Hospice of St Francis operates as well as funds set aside by the Trustees for capital development (£105k). 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.

<b>16b. FUNDS</b>	<b>General</b>	<b>Designated</b>	<b>Total</b>
<b>Group and charity</b>	<b>Reserves</b>	<b>Reserves</b>	<b>Reserves</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 April 2017	3,478	5,022	8,500
Income	5,809	-	5,809
Expenditure	(5,988)	(157)	(6,145)
Gain on investment assets	116	-	116
Transfers	(15)	-	(15)
<b>At 31 March 2018</b>	<b>3,400</b>	<b>4,865</b>	<b>8,265</b>

**HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED**  
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**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

**16c. FUNDS (continued)**

<b>RESTRICTED FUNDS</b>	<b>01-Apr 2018</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>31-Mar 2019</b>
<b>Group and charity</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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 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
<b>Total restricted funds</b>	<b>113</b>	<b>1,102</b>	<b>(1,010)</b>	<b>8</b>	<b>213</b>

**16d. FUNDS (continued)**

<b>RESTRICTED FUNDS</b>	<b>01 April 2017</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>31 March 2018</b>
<b>Group and charity</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Restricted donations	47	62	(48)	15	76
Herts Valley CCG grants	-	707	(707)	-	-
Hertfordshire Community Cardiology Consultant	-	3	(3)	-	-
Chilterns CCG grants	-	148	(148)	-	-
Macmillan Cancer Support grants	-	17	(13)	-	4
ABC End of Life care for Learning Disabilities	10	26	(10)	-	26
Watford General Hospital	-	33	(33)	-	-
The St James' Place Foundation	-	26	(26)	-	-
The Childwick Trust	-	20	(20)	-	-
BBC Children in Need	-	20	(20)	-	-
Sherling Charitable Trust	-	3	-	-	3
Rennie Grove Hospice Care – medical cover	-	10	(10)	-	-
Sue Ryder	-	14	(10)	-	4
<b>Total restricted funds</b>	<b>57</b>	<b>1,089</b>	<b>(1,048)</b>	<b>15</b>	<b>113</b>

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**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

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**16. FUNDS (continued)**

**Restricted funds**

The restricted funds at 31 March 2019 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 grants comprised an annual grant for palliative care service provision, plus additional amounts for continued care of specific patients, the costs of drugs and dressings, and pharmacy costs.

The Chilterns CCG grant comprises an annual grant for palliative care service provision, plus additional amounts for 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 St. James's Place Foundation grant covered the costs of a palliative rehabilitation assistant and project lead to develop and evaluate a palliative rehabilitation pathway in an IPU setting and measuring the benefits.

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



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**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

**16. FUNDS (continued)**

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

<b>17a. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS</b>	<b>Unrestricted</b>	<b>Designated</b>	<b>Restricted</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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)
<b>Total</b>	<b>3,556</b>	<b>4,902</b>	<b>213</b>	<b>8,671</b>

<b>17b. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS</b>	<b>Unrestricted</b>	<b>Designated</b>	<b>Restricted</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Tangible fixed assets	210	4,865	-	5,075
Investments	2,402	-	-	2,402
Current assets	1,248	-	113	1,361
Creditors: falling due within one year	(460)	-	-	(460)
<b>Total</b>	<b>3,400</b>	<b>4,865</b>	<b>113</b>	<b>8,378</b>

**18. RELATED PARTIES**

Transactions between the Charity and Hospice of St Francis Trading Limited were as follows: £113k (2018: £99k), 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.

**HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED**  
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**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

<b>19. FINANCIAL COMMITMENTS</b>	<b>2019</b>	<b>2018</b>
At 31 March the total commitments under operating leases were as follows:	<b>£'000</b>	<b>£'000</b>
<b>Group and charity</b>		
<b>Financial commitments</b>		
Land and buildings:		
Operating leases which expire:		
- within one year	221	-
- from two to five years	661	443
- over five years	23	695
<b>Total land and buildings</b>	905	1,138
Equipment hire agreement		
Operating leases which expire:		
- within one year	11	-
- from two to five years	15	40
<b>Total equipment</b>	26	40
<b>Total</b>	931	1,178

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

Operating lease costs of £237k were expensed in the year ended 31 March 2019 (2018: £235k)

**20. CAPITAL COMMITMENT**

The Hospice has capital commitments comprising works to refurbish the Spring Centre during the summer of 2019. The costs have been budgeted at £290k (2018:Nil). The costs had not been contracted for at 31 March 2019.

**HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED**  
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**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

<b>21 RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Net movement in funds	293	(179)
Non cash legacy (property)	(226)	-
Unrealised profit on investments	(124)	(116)
Profit on the sale of investments	(2)	(8)
Depreciation	263	303
Write off of fixed assets	-	4
Decrease / (Increase) in stocks	-	9
Decrease / (Increase) in debtors	534	(558)
Increase in creditors	6	18
	<hr/>	<hr/>
Net cash provided by operating activities	744	(527)
	<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.

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Stocks	41	41
Debtors	15	14
Cash at bank and in hand	75	73
Creditors falling due within one year	(86)	(83)
	<hr/>	<hr/>
Net Assets	45	45
Shareholders' equity	40	40
Profit and loss account	5	5
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 2019**

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

	2019			2018		
	Trading Subsidiary £'000	Charity £'000	Group Total £'000	Trading Subsidiary £'000	Charity £'000	Group Total £'000
<b>Income</b>						
Voluntary funds	-	3,949	3,949	-	3,836	3,836
Activities for generating funds	452	1,604	2,056	478	1,446	1,924
Investment income	-	1	1	-	1	1
Incoming resources from charitable activities	-	993	993	-	1,129	1,129
Other	-	-	-	-	8	8
<b>Total Income</b>	<b>452</b>	<b>6,547</b>	<b>6,999</b>	<b>478</b>	<b>6,420</b>	<b>6,898</b>
<b>Expenditure</b>						
Costs of generating voluntary income	-	567	567	-	589	589
Trading costs	339	1,674	2,013	379	1,700	2,079
Costs of charitable activities	-	4,252	4,252	-	4,525	4,525
Gift aid donation to Hospice of St Francis	113	(113)	-	99	(99)	-
<b>Total Expenditure</b>	<b>452</b>	<b>6,380</b>	<b>6,832</b>	<b>478</b>	<b>6,715</b>	<b>7,193</b>
Net operating surplus / (deficit) for the year	-	167	167	-	(295)	(295)
Realised and unrealised gains on investments	-	126	126	-	116	116
<b>Total after adjustments</b>	<b>-</b>	<b>293</b>	<b>293</b>	<b>-</b>	<b>(179)</b>	<b>(179)</b>

**HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED**  
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**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

**24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (31 MARCH 2018)**

	Unrestricted Funds	Designated Funds	Restricted Income Funds	Total
	£'000	£'000	£'000	2018 £'000
<b>INCOME FROM (NOTE 4)</b>				
<b>Donations and legacies</b>				
Donations	2,705	-	52	2,757
Legacies	1,079	-	-	1,079
<b>Charitable activities</b>				
NHS Grants for Hospice care	-	-	855	855
Other income from charitable activities	92	-	182	274
<b>Other trading activities</b>				
Trading and fundraising	335	-	-	335
Retail income	1,589	-	-	1,589
<b>Investments</b>	1	-	-	1
<b>Other</b>	8	-	-	8
<b>Total income</b>	<b>5,809</b>	<b>-</b>	<b>1,089</b>	<b>6,898</b>
<b>EXPENDITURE ON:</b>				
<b>Raising funds (Note 5)</b>				
Voluntary income	578	11	-	589
Trading activities	432	5	-	437
Retail activities	1,642	-	-	1,642
	<b>2,652</b>	<b>16</b>	<b>-</b>	<b>2,668</b>
Net income available for charitable activities	<b>3,157</b>	<b>(16)</b>	<b>1,089</b>	<b>4,230</b>
<b>Charitable activities (Note 5)</b>				
Inpatient unit	1,672	78	880	2,630
Community	786	8	29	823
Outpatients (Spring Centre)	430	31	32	493
Bereavement (Spring Centre)	143	8	20	171
Hospital	28	-	36	64
Education	277	16	51	344
	<b>3,336</b>	<b>141</b>	<b>1,048</b>	<b>4,525</b>
<b>Total expenditure (Note 5)</b>				
<b>Carried forward</b>	<b>5,988</b>	<b>157</b>	<b>1,048</b>	<b>7,193</b>

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**NOTES TO THE ACCOUNTS (continued)**  
**AS AT 31 MARCH 2019**

**COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (31 MARCH 2018) (CONTINUED)**

	Unrestricted Funds	Designated Funds	Restricted Income Funds	Total
	£000	£000	£000	2018 £000
<b>Total expenditure brought forward</b>	<b>5,988</b>	<b>157</b>	<b>1,048</b>	<b>7,193</b>
	(179)	(157)	41	(295)
Net gains/(losses) on investments (Note 9)	116	-	-	116
<b>Net income/(expenditure)</b>	<b>(63)</b>	<b>(157)</b>	<b>41</b>	<b>(179)</b>
Transfers between funds	(15)	-	15	-
<b>Net movement in funds</b>	<b>(78)</b>	<b>(157)</b>	<b>56</b>	<b>(179)</b>
<b>Total funds brought forward</b>	<b>3,478</b>	<b>5,022</b>	<b>57</b>	<b>8,557</b>
<b>Total funds carried forward</b>	<b>3,400</b>	<b>4,865</b>	<b>113</b>	<b>8,378</b>