

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

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2018

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
(Company limited by guarantee)



REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2018

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CHAIR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2018

Alison Woodhams, Chair of the Board of Trustees.

This has been another busy year for the Hospice in which we have made progress in a number of areas – it has also been one of change. In September 2017 we welcomed Kate Phipps-Wiltshire as our new Chief Executive. Kate comes to us with a wealth of experience from both the hospice sector and the NHS. This enabled her to rapidly gain an understanding of the Hospice, to develop and implement a number of organisational changes including the recruitment of several new members of the Executive Team and to review our future strategy.

The outcomes from that review, #YourPreciousLife, have included revised strategic objectives:

- 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

During the year only one trustee stepped down – Peter Miller - who we thank for his contribution over the years including, particularly, his advice and support on our retail operations. Also during the year we welcomed back Dr Ros Taylor as a Patron. As almost all of you know Ros was Chief Executive at the Hospice for many years until her retirement. She continues to be closely involved with the hospice sector and will be sure to make a valuable contribution as a patron.

At the start of 2017, following a review of our corporate governance, we implemented a new board committee structure with the intention of reviewing it after a year. Whilst the new structure has worked well two further revisions are planned. The Clinical Governance Committee and Corporate Audit, Risk and Governance Committees remain unchanged but the remits of the remaining two committees (previously Finance & Income Generation and Resources) have been re-allocated to form the Finance & Resources Committee and an Income Generation Committee. This eliminates some overlap in the previous structure and enables an even greater focus on how we will fund ourselves in the future. We have also taken the opportunity to add an Association Member to the membership of each of the committees to take advantage of the wide experience that group brings to the Hospice.

As outlined later in this report, we have made good progress in most areas against the planned objectives for the year. Collaboration and integration remain key. The success of the West Herts Palliative Care Referral Centre, opened in April 2017, and the remodelling of palliative patient care in West Herts, enabling patient care to be allocated to the best place of care for the patient, are both examples of these in action. However there is more to do.



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CHAIR'S REPORT
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Alison Woodhams, Chair of the Board of Trustees – continued

Working with the NHS continues to be time consuming and a challenge as it grapples with its own internal issues. Nevertheless we remain committed to a continuing dialogue so that the impact of our services can benefit as many people as possible.

The Hospice delivered a deficit of £179k in the year – an improvement of £589k compared with the previous year's deficit of £768k. This improvement was the result of an increase in income and costs remaining at virtually the same level as the previous year. Total income grew from £6.2m to £6.9m – included in this figure was £1.1m from legacies (up from £0.6m in the previous year) and retail income of £1.6m (up £0.1m from the previous year).

Tight cost control and a continued focus on income generation, including the consideration of new sources of income and the use of modern technology to facilitate income collection, are vital to ensuring that the Hospice eliminates in year deficits by 2019/20 – the timescale to which the Board are committed. The fundraising environment for all charities, including the Hospice, remains tough, the NHS has already made cuts of 15% to our funding and we still need to raise more than £5m every year to continue to deliver our services.

As we approach our 40th birthday we all know that the Hospice is a very special place – not just in terms of its physical presence but also in terms of a community – and I am confident that everyone involved with the Hospice – staff, volunteers, donors, supporters in every sense of the word – are committed to ensuring we continue to deliver the exceptional care to which we believe every one of our patients is entitled for the next 40 years.

Finally, as always, a huge thank you to everyone who contributes to the Hospice in any way – without you none of this would be possible.

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REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

PATRONS AND TRUSTEES OF THE CHARITY

PATRONS

The Lord Lieutenant of Hertfordshire, the Countess of Verulam
Jo Connell OBE DL
Vivienne Cox
The Rt. Hon David Gauke, MP for South West Hertfordshire
Joan Gentry
Hilary McNair
The Rt. Hon Sir Mike Penning, MP for Hemel Hempstead
Charles Toner
Peter Carter
Dr Ros Taylor MBE

BOARD OF TRUSTEES:

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

Mrs Alison Woodhams (Chair)	
Ms Julia Bolsom	FIG, R
Mrs Sarah Byrt	CA, R
Mr Tim Curry	CG
Mr Matthew Gorman	FIG
Mr Mark Hampton (Treasurer)	FIG, CA
Mr Peter Miller(resigned September 2017)	FIG, CG
Mrs Susan Noble	FIG, CA
Dr Berndine Tipple	CG
Mr David Williams* (Deputy Chair)	CA, R
Mrs Margaret Salmon	R, CG
Mr Nick Hanling	R
Mrs Tracy Moores*	FIG, CG

Key to committee membership:

Board Committees

Finance and Income Generation (FIG)	Clinical Governance (CG)
Resources (R)	Corporate Audit, Risk and Governance (CA)

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

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**REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

HOSPICE MANAGEMENT AND DETAILS OF ADVISORS

CHIEF EXECUTIVE:	Kate Phipps-Wiltshire
EXECUTIVE TEAM:	David Brodala (Trading and Productivity) Sharon Chadwick (Medical Director and Deputy CEO) Fay Richardson (Director of Care) Maureen Sebanakitta (Finance and Information Technology) Angela Proctor (HR, Voluntary Services and Facilities) Joel Voysey (Fundraising)
REGISTERED OFFICE:	Hospice of St Francis Spring Garden Lane Berkhamsted Hertfordshire HP4 3GW
COMPANY REGISTRATION NUMBER	01507474 Registered in England and Wales
CHARITY REGISTRATION NUMBER	280825
Telephone:	01442 869550
Website:	www.stfrancis.org.uk
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Instagram:	@hospicestfrancis
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BANKERS:	Lloyds TSB 205 High Street Berkhamsted Hertfordshire HP4 1AP
SOLICITORS:	SA Law 60 London Road St Albans Hertfordshire AL1 1NG
INVESTMENT ADVISOR:	Barclays Wealth, London 1 Churchill Place London E14 5HP

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REPORT OF THE BOARD OF TRUSTEES
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OBJECTIVES AND ACTIVITIES

Hospice of St Francis activities

At The Hospice of St Francis we know every life is precious. It is this approach that gives us our trusted outstanding^[1] reputation. In the second half of 2017/18 we developed a new organisational strategy #YourPreciousLife that will be rolled during the 2018/19 financial year. All the care and support we give continues to be free whenever people need it and for as long as they need it.

By 2039 we expect a 22% increase in the local population, #YourPreciousLife is our plan to double the reach of our care by 2028. Over the same time period, longevity will increase pressure on pensions, with people working for longer, and for families who may be supporting parents into their 90s and 'children' through further education. This is in the context of a fiscal forecast in (post) Brexit Britain for upward pressure on personal disposable income and downward pressure on salaries.

It now costs £10/minute to do what we do; 218 paid colleagues and 1,100 volunteers contribute in many different ways to caring for over 2,000 people a year. Every year we rely upon local people, charitable trusts, grant givers, corporate partners and shop customers to contribute £8.70 of each £10. Our approach to individual and corporate participation, just as in our care and family support, is about building great relationships. In 2018/19 the NHS locally, despite huge pressures and financial challenges, will give us grants equivalent to £1.30 of every £10. #YourPreciousLife is our commitment to make every £10 work harder.

Life expectancy not birth rates is driving the increase in population. The biggest percentage population change in Hertfordshire and Buckinghamshire is in the number of people over 80. There are two very different stories of life expectancy. People who are educationally and economically successful typically enjoy health and well-being that is better than the national average and a life expectancy increasing by 5 hours a day. This is diametrically opposed to the experience of people born in socially deprived neighbourhoods for whom these neighbourhoods are a lifetime home; here, the incidence of serious and long-term illness is higher and for the first time since 1924 (for women) and 1945 (for men) life expectancy is falling.

Wherever possible, The Hospice of St Francis wants to intervene to help to change this. In the 11 years we have been at Spring Garden Lane, supporting people who will recover is now as important as being there for adults, children and young people who lose a family member. Supporting people with heart failure, for example, is as important as supporting people with cancer. Many illnesses, especially with early intervention, now have much longer periods of significant remission. Supporting people to return to ordinary living, work and reclaiming their family life is now as important as being there at the very end and providing support in the times to come for those people living through grief and rebuilding their lives.

^[1] The Hospice of St Francis is rated 'outstanding' by the Care Quality Commission (CQC). The CQC is the regulator of all hospitals, hospices and care homes in England, 'outstanding' is the highest possible rating.

REPORT OF THE BOARD OF TRUSTEES
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Hospice of St Francis objectives

At the beginning of the 2018/19 financial year #YourPreciousLife replaced our previous strategy and objectives. **The financial year 2017/18 was the final year of the 'previous' strategy and that is therefore set out below.** The Hospice of St Francis vision and mission 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 and client 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.

**REPORT OF THE BOARD OF TRUSTEES
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Hospice of St Francis objectives – continued

Strategic aims	Actions for 2018/19
Ensure we get the best possible value from our assets, particularly our building	<ul style="list-style-type: none"> • After ‘our people’ our building is our biggest asset. We took occupation of the newly constructed site 11 years ago. In the next 12 months we will review how effectively the building still serves its primary purpose and look to future-proof it for the next 10 years with a goal of ensuring that it continues to meet operational, health and safety and environmental health standards.
Maintain financial sustainability	<ul style="list-style-type: none"> • To build on our work with other local palliative care providers and NHS Clinical Care Commissioning Groups in order to increase clinical effectiveness, and reduce duplication across the system and to do so in a financially sustainable manner. • To ensure that our expenditure matches our income from 2019/20 and going forward whilst maintaining an appropriate level of reserves.
Increase diversity	<ul style="list-style-type: none"> • 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.
Double our capacity to care by 2028	<ul style="list-style-type: none"> • To optimise flow in the Inpatient Unit (IPU) and improve take up of ‘Spring Centre’ care. • To ensure that all physiotherapy and occupational therapy activity can take place in clinically appropriate private spaces with an inclusive rehabilitation service that can also match national NHS service specifications. • Undertake our own ‘preferred place of care and death’ audits to ensure what we offer matches the aims/aspirations of our beneficiaries.
Maintain the “outstanding” CQC standard	<ul style="list-style-type: none"> • To implement an action plan for on-going compliance with ‘outstanding status’ and proactively prepare for the next inspection round.
Strengthen communications	<ul style="list-style-type: none"> • To develop a new communications strategy that will make it easier for supporters to contact and stay in touch with the Hospice.
Celebrate and embrace active citizenship	<ul style="list-style-type: none"> • To develop volunteer roles in every team including new roles to attract people leaving paid employment who want to take up active citizenship

**REPORT OF THE BOARD OF TRUSTEES
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Achievements and performance in 2017/18

This section of the report shows the progress we have made towards the objectives we identified in our 2016/17 report.

Our plans for 2017/18 were.....

Objective 1: Work with other local palliative care providers to increase clinical effectiveness, and reduce duplication across the system. Develop and lead Community Palliative Care Services in West Hertfordshire.

We planned to:

1. Use the potential of the new Referrals Coordination Centre for West Hertfordshire to improve palliative care referrals management in the area

- April 2017 saw the start of the West Herts Palliative Care Referral Centre (PCRC). This is a collaborative initiative between The Hospice of St Francis, Peace Hospice Care, Rennie Grove Hospice Care and Herts Community Trust. This provides a single point of entry for all initial palliative care referrals to be triaged by specialist palliative care nurses from all organisations and then directs patients to the provider that is most appropriate for the level of care needed at that time. For 2017/18, 3118 referrals were processed through the PCRC.
- All referrals are given a response time as to when the patient should be contacted or when they should be admitted to the in-patient unit. The response time is monitored closely to ensure patients are seen in the most appropriate time for their needs.
- The new referral centre also provides a central point of co-ordination for the Electronic Palliative Care Coordination system (EPaCCS) where patients' Advanced Care Planning entry is activated and communicated to all relevant parties and also to the ambulance service.
- The PCRC is also a central point to collect statistics on West Herts Palliative Care patients in terms of their needs, response times etc.
- Collaborative work is robust with the different flows of patients between services. Patients are discussed weekly at meetings of the West Hertfordshire multi-disciplinary team and monthly at GP Gold standard meetings.

REPORT OF THE BOARD OF TRUSTEES
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Achievements and performance in 2017/18 – (continued)

2. Develop a community service in North West Hertfordshire in partnership with other hospices together with Hertfordshire Community NHS Trust

- In 2016/17 The Hospice of St Francis, working in collaboration with Peace Hospice Care, Rennie Grove Hospice Care and Herts Community NHS Trust looked carefully at ease of access to palliative care services to identify and reduce inequity and improve consistency of care across the services. A new referral centre was established to West Hertfordshire GP surgeries giving a single point of access for palliative care referrals and clear information about which provider will take the referral. The referral centre is located at Peace Hospice Care and is supported by The Hospice of St Francis, Hertfordshire Community Trust and Rennie Grove Hospice Care. In 2017 the referral centre received the innovation award from Hospice UK.
- After the Clinical Nurse Specialist re modelling in West Herts, the North West Herts palliative services are provided by Rennie Grove Care and Hospice of St Francis both aligned to GP surgeries, The Spring Centre provides wellbeing services and support to patients with life limiting conditions. The Hospice of St Francis offers outpatient appointment services to all Dacorum/Buckinghamshire patients and beyond who are able to attend, giving patient choice. Collaboration enhances the flow of patients from outpatient to care at home at the appropriate time in the patients' journey. Rennie Grove Hospice Care covers St Albans and Harpenden and has Grove House day services in St Albans.
- Patient care is therefore allocated to the best place of care for the patient; this could be the Inpatient unit, home assessment, outpatient or nursing/residential home support. Patients move through the system and are introduced to other services as their care needs change. As an example, a patient could join the service at The Spring Centre and if their condition deteriorates this could prompt a home assessment by Rennie Grove Hospice Care and the patient could then come into an in-patient unit at the Hospice of St Francis, Peace Hospice Care or Michael Sobel House.
- Rennie Grove Hospice Care provides a 24 hour home care service and The Hospice of St Francis may refer a patient for this service if they need 24 hour support but we remain the key clinical team. Therefore collaborative work is robust and patients are able to flow between the different services on offer. Patients' cases are discussed weekly at meetings of the West Hertfordshire multi-disciplinary team and monthly at the GP Gold standard meetings.

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Achievements and performance in 2017/18 – (continued)

3. Create teams of palliative care nurses to work closely with the local Integrated Care Teams and General Practitioners

- The Hospice community teams attend all Gold Standard framework meetings with GPs. This ensures that communication occurs about patients, carers and families and all professionals are kept up to date with care plans for individuals. The nurses attending these meetings teach, prompt, encourage completion of data for EPaCCs and discuss “Do Not Attempt Resuscitation” with GPs if this is being considered for any of their patients;
- Hospice nurses meet regularly with District Nurses and Community Matrons to discuss current palliative care and community issues and to teach, and provide feedback and support. The Hospice nurses encourage joint working and often support patients in the community as a team providing total care on days when they visit.

4. Deliver ‘Spring Centre’ services in other settings through outreach into the local community

- The process of developing reciprocal affordable partnerships where the Hospice can deliver care in ordinary community settings has been slower than expected. This objective has been carried forward into the 2018/19 financial year.

Objective 2: To lead and develop further Palliative Care Education in Hertfordshire

We planned to:

5. Continue to develop education activities, increasingly in collaboration with others

- The Hospice of St Francis has led on an initiative of advanced communication skills training across Hertfordshire and Bedfordshire and successfully delivered programmes in collaboration with Hertfordshire Community NHS Trust and other Hospice providers. We developed and led on the delivery of a West Herts Palliative Care and End of Life Care (EOLC) education programme.
- As part of the Hospice consortium we have developed a one day workshop with Hertfordshire Partnership Foundation Trust and mental health services to deliver a joint funded programme over the next nine months for both specialist palliative care staff and mental health services.

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Achievements and performance in 2017/18 – (continued)

- The Hospice has led on seeking collaborative funding for specialist palliative care hospice providers to educate staff on non-medical prescribing;
- The Hospice along with its partner organisations has delivered the Sage and Thyme communication skills training programme;
- The Hospice has provided a six month transition programme for Band 6 allied health professionals and nurses.

6. Seek and obtain funding for education for professionals working with people with learning disabilities and people in care homes

- The Hospice of St Francis has successfully secured funding for a two and a half day training programme for 10 learning disability living unit carers and managers across Hertfordshire; we are awaiting confirmation of a further £15,000 funding for more training to be delivered for the next eighteen months.

7. Deliver accredited courses, in collaboration with higher education

- The Hospice of St Francis continues to work with the University of Hertfordshire to deliver modules of EOLC for pre-registered paramedic students working across The East of England. Bespoke training is offered for pre- and post-registration courses at the University of Hertfordshire.

8. Continue to develop and be a centre of excellence for educational programmes

- The Hospice continued to deliver the European Certificate of Essential Palliative Care (ECEPC) in collaboration with Princess Alice Hospice;
- The Hospice leads on developing a revised psychological skills course with partner organisations;
- The Hospice offers a selection of new courses to reach the seldom-heard groups across Hertfordshire;
- The Hospice leads on the Sustainability and Transformation Partnership (STP) education work stream. The STP includes forty four areas covering all of England, where local NHS organisations and councils have drawn up proposals to improve health and care in the areas they serve.

REPORT OF THE BOARD OF TRUSTEES
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Achievements and performance in 2017/18 – (continued)

Objective 3: To continue to develop research activity in the Hospice of St Francis in order to maximise the capability of the current organisation, develop services and respond to change and generate income to continue to run and grow these services.

We planned to:

9. Actively collaborate with others as part of the Hertfordshire Palliative Care Research Group

- The Hospice of St Francis submitted a National Institute for Health Research application for a feasibility study with the University of Hertfordshire for which we are awaiting a response to a request for £150,000 funding to run a feasibility study exploring the effect of physical activity for patients receiving exercise group work across Hertfordshire hospices in order to assess their ability to self-manage their condition.

10. Review roles and structures as opportunities arise, ensuring organisational resilience and flexibility

- Training was completed for key staff on GCP training to enable The Hospice of St Francis to be involved in research studies. As a result, we will participate in a planned national study (STOIC) that will take place over 2017/18, with recruitment of participants (patients) starting in the final quarter of the 2017/18 financial year.

11. Continue as a 'Research Active' hospice, building our own research expertise and promote the advancement of knowledge in palliative care.

- The Hospice is in the process of reviewing further research potential within the current structure and is developing an internal research group.

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Principal risks and uncertainties

The Board of Trustees are 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	Management / mitigation
Financial risks. The principal risks for The Hospice of St Francis are liquidity risk and investment valuation risk.	<ul style="list-style-type: none"> • Cash flow closely managed and monitored by the Finance Committee • Investment policy managed by the Finance Committee with external advice • Investment policy focused on capital preservation, liquidity and real terms growth
Income generation risks. Reduced income due to the economic environment affecting donors or statutory income, or to regulatory changes.	<ul style="list-style-type: none"> • Continued engagement with NHS commissioners • Strategic income generation plans • Diversification of income where possible • Community engagement
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.	<ul style="list-style-type: none"> • 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
Reputational risks. Incidents, omissions or press coverage which damage the Hospice's reputation.	<ul style="list-style-type: none"> • Risk assessments for all activities, with attention to the safety of external and internal participants • Emergency response plan, on which senior staff have received formal training • Training and awareness programmes for all staff
Care delivery risks. Risks relating to patient experience.	<ul style="list-style-type: none"> • Staff training • Hospice policies and procedures regularly updated and communicated • Implementation of new electronic patient records system to allow Hospice participation in EPaCCS systems
Staff risks. Risks relating to recruitment and retention of staff and volunteers.	<ul style="list-style-type: none"> • Initiatives to attract staff • Reward and recognition policy being designed • Staff training and development programme • Staff and volunteer mandatory training programme • Clear and accessible whistle-blowing procedures

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FINANCIAL REVIEW

Our total income increased by £0.7m in the year to £6.9m. Our work is mainly funded by a mixture of donations, income from our retail activities, legacies, earned income from service delivery and grants. In total, donations increased by £45k to £2.8m, whilst legacy income, which is inherently a variable income stream, increased by £0.5m to £1.1m.

	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000
Total income	6,533	5,847	6,560	6,207	6,898
Costs of income generation	2,326	2,577	2,636	2,579	2,668
Spending on charitable activities	3,583	3,877	4,344	4,626	4,525
Total reserves	10,195	9,782	9,325	8,557	8,378

Income from charitable activities was up by £69k 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.

Trading, fundraising and retail income increased by £108k to £1.9m. 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 2017/18 the Hospice accounted for £357k 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, 33% 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. Corporate fundraising with membership of the Corporate Partners Network has exceeded 160 this year. The quality of our work with patients and families and our positive relationship management continues to create positive results with in-memoriam giving. Legacies significantly exceeded the budgeted target, raising £1.1m in the year.

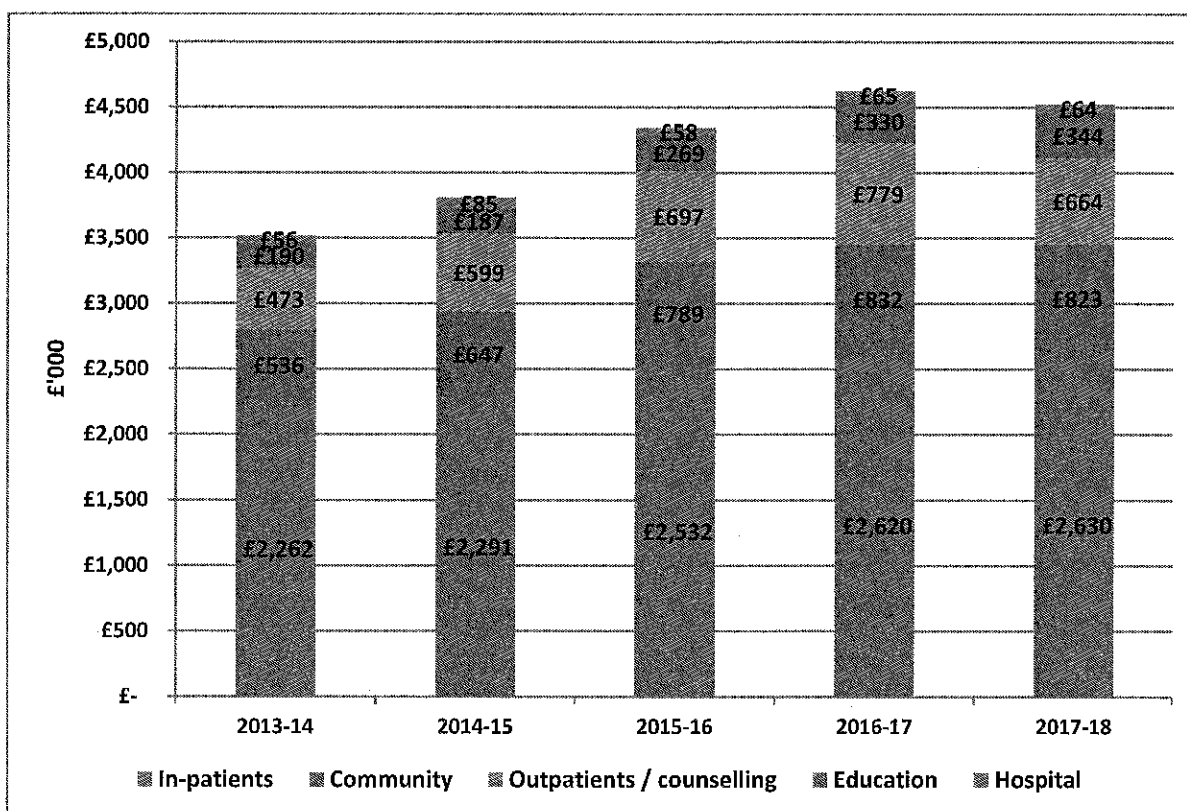
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FINANCIAL REVIEW – continued

Our total expenditure was £7.2m (2017: £7.2m) which is the same as the previous year.

We spent £4.5m on our charitable activities in the year (2017: £4.6m), in percentage terms a reduction of 2%, this is as a result of savings in ‘non pay’ costs in the final two quarters of the financial year. Expenditure on the Inpatient unit, accounts for 58% of total charitable expenditure, increased slightly, consistent with an additional NHS contract to deliver additional in-patient beds as part of the NHS Winter Pressures scheme. Inpatient costs are comparably higher than other costs because it is a 24/7 365 day/year service for people with complex needs requiring a comprehensive multi-professional team comprising 10 different professions and multiple drug regimes. That team also includes 120 volunteers trained to deliver components of care that can be safely delegated.



The cost of generating income, which includes retail, trading and fundraising activities increased by £89k to £2.7m (2017: £2.6m) although the figures are broadly comparable across both years. This is a direct result of the increased investment in the areas of community fundraising. The decision to maintain investment in fundraising at this level on a recurrent basis will be informed by performance against budget and the return on that expenditure.

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REPORT OF THE BOARD OF TRUSTEES
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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 2018 to 2021 period projects a balanced budget for 2019-20 and going forward.

Reserves

	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000
Restricted reserves	20	4	26	57	113
Designated reserves	5,459	5,314	5,167	5,022	4,865
Unrestricted reserves	4,716	4,464	4,132	3,478	3,400
Total reserves	10,195	9,782	9,324	8,557	8,378

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. These reserves are not available for investment, or spending, unless the Hospice buildings are sold.

Unrestricted reserves

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

The Hospice calculates the required level of reserves annually. Required reserves are estimated by reference to:

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

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

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

FINANCIAL REVIEW – continued

The resulting calculation provides a minimum level of reserves required. In 2015, it was calculated that we required 6 months of unrestricted reserves level for charitable spending which equates to £3.6m for this financial year. At 31 March 2018, the Hospice's unrestricted reserves were £3.4m, representing approximately 5.7 months of charitable spending.

Planned deficits in the business plan for the period 2018/19 will further reduce reserves, but the Board of Trustees is confident that reserves will remain within an acceptable range. The Board of Trustees carefully monitors the Hospice's income and expenditure and will take any action needed if there is a significant risk to the Hospice's financial position and the sustainability of its services.

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 2018

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 2017/18, 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.

Eight complaints about fundraising activity were received in the year and all were promptly resolved without the need for escalation to the regulator.

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 has adjusted the Charity 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 has also been put in place. The new leadership structure is to be implemented in the first quarter of 2018/19 and the new committee will come into place in the second quarter of 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 further income growth can be achieved.

As in so much of our work, we remain indebted to our volunteers who are deployed right across the Hospice. We are proud to be able to report that we now have 5 volunteers for every paid member of staff. We plan to take this forward with an 'active citizenship programme' in 2018/19.



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

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

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 working in 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 2018 there were 12 Trustees. Membership of the Board is set out on page 5 of this report.

At 31 March 2018, there were four formally constituted Board Committees, each with specific terms of reference and functions delegated by the Board. These committees, which are chaired by a Trustee and which report to the Board, are:

- the Clinical Governance Committee
- the Finance and Income Generation Committee
- the Corporate Audit, Risk and Governance Committee
- the Resources Committee

Management

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

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



REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

STRUCTURE GOVERNANCE AND MANAGEMENT – continued

Election and Appointment of Trustees

The Board appoints new Trustees, based on selection criterion that ensures 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 at which further training and development needs are identified.



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

REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

EMPLOYEES AND VOLUNTEERS

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

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

Volunteers have been central to the Hospice of St Francis since its inception. At 31 March 2018, there were over 1,000 volunteers supporting the Hospice in a variety of roles, including in the Hospice itself, in our shops, in the offices and in the community. Staff and patients alike welcome the involvement of volunteers in The Hospice of St Francis, and their contribution is integral to all Hospice operations.

REMUNERATION OF SENIOR STAFF

The Board considers that the Trustees, the Chief Executive, the Director of Care, the Medical Director and the Director of Finance and Informatics comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis.

All Trustees give their time freely and no Trustee received remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in note 8 to the Accounts.

The pay of the Executive Team and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the Board benchmarks against pay levels in other charities. The remuneration benchmark 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 2018

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.

In 2017/18 the Hospice had 853 patient referrals into all its services, of these 101 were new referrals and 614 achieved their preferred place of death. 257 patients were admitted to the inpatient unit.

There were a total of 2,584 home visits or visits to nursing homes by various teams during the year. On average the Hospice had 92 individual patients visit the Spring Centre in a month. The Hospice supported on average 26 children per month in the Spring Centre through its one to one and group sessions.

Telephone bereavement services provided 2,600 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.

The Hospice uses SystemOne, a national electronic patient records database that has enabled it to provide coordinated care cross services and agencies for patients locally. The Hospice monitors work using data quality processes to ensure that it is able to completely rely on the accuracy of its activity and performance data.

A CQC assessment was undertaken in 2016 and the Hospice received an outstanding evaluation.

Audit plays a key part in assessing how the Hospice supports a culture of safe and effective care in quality improvements. There is in place an annual audit programme which monitors the Hospice's performance, highlighting any additional areas which require further investigation.



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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

In so far as we are aware:

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

Appointment of Auditors

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

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

Chair

Alison Woodhams

Alison Woodhams



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

Opinion

We have audited the financial statements of Hospice of St Francis (Berkhamsted) Limited for the year ended 31 March 2018 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 2018 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 26, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

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

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



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

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Board of Trustees (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Board of Trustees has 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,

Statutory Auditors London

EC4R 1AG

03/09/2018.

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 2018

	Unrestricted Funds Note 1C £'000	Designated Funds Note 1C £'000	Restricted Income Funds Note 1C £'000	Total 2018 £'000	Total 2017 £'000
INCOME FROM (NOTE 4)					
Donations and legacies					
Donations	2,705	-	52	2,757	2,712
Legacies	1,079	-	-	1,079	615
Charitable activities					
NHS Grants for Hospice care	-	-	855	855	786
Other income from charitable activities	92	-	182	274	274
Other trading activities					
Trading and fundraising	335	-	-	335	340
Retail income	1,589	-	-	1,589	1,476
Investments	1	-	-	1	4
Other	8	-	-	8	-
Total income	5,809	-	1,089	6,898	6,207
EXPENDITURE ON: Raising funds (Note 5)					
Voluntary income	578	11	-	589	506
Trading activities	432	5	-	437	460
Retail activities	1,642	-	-	1,642	1,613
	2,652	16	-	2,668	2,579
Net income available for charitable activities	3,157	(16)	1,089	4,230	3,628

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018

	Unrestricted Funds Note 1C £000	Designated Funds Note 1C £000	Restricted Income Funds Note 1C £000	Total 2018 £000	Total 2017 £000
Charitable activities (Note 5)					
Inpatient unit	1,672	78	880	2,630	2,620
Community	786	8	29	823	832
Outpatients (Spring Centre)	430	31	32	493	600
Bereavement (Spring Centre)	143	8	20	171	179
Hospital	28	-	36	64	65
Education	277	16	51	344	330
	3,336	141	1,048	4,525	4,626
Total expenditure (Note 5)	5,988	157	1,048	7,193	7,205
Net (expenditure) before gains on investment	(179)	(157)	41	(295)	(998)
Net gains on investments (Note 9)	116	-	-	116	230
Net (expenditure)/income	(63)	(157)	41	(179)	(768)
Transfers between funds	(15)	-	15	-	-
Net movement in funds	(78)	(157)	56	(179)	(768)
Total funds brought forward	3,478	5,022	57	8,557	9,325
Total funds carried forward	3,400	4,865	113	8,378	8,557

The accounting policies and notes on pages 33 to 56 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 2017 is included within note 25.

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



CONSOLIDATED AND CHARITY BALANCE SHEET
AS AT 31 MARCH 2018

Company Number: 1507474

	Note	Group		Charity	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
FIXED ASSETS					
Tangible fixed assets	11	5,075	5,382	5,075	5,382
Investments	12,13	2,402	2,779	2,442	2,819
TOTAL FIXED ASSETS		7,477	8,161	7,517	8,201
CURRENT ASSETS					
Stocks for goods for resale		41	50	-	-
Debtors	14	1,031	473	1,091	535
Cash at bank and in hand		289	315	216	242
TOTAL CURRENT ASSETS		1,361	838	1,307	777
CREDITORS: amounts falling due within one year	15	(460)	(442)	(451)	(426)
NET CURRENT ASSETS		901	396	856	351
NET ASSETS		8,378	8,557	8,373	8,552
FUNDS OF THE CHARITY	16				
Unrestricted (general) funds		3,400	3,478	3,395	3,473
Designated funds		4,865	5,022	4,865	5,022
Restricted funds		113	57	113	57
TOTAL CHARITY FUNDS		8,378	8,557	8,373	8,552

The accounting policies and notes on pages 33 to 56 form part of these Accounts.
 The deficit of the charity before consolidation of its subsidiary was £179,000 (2017: £768,000).
 The Accounts were approved and authorised for issue by the Board on 2018 and were signed below on its behalf by

.....
 Alison Woodhams
 Chairman

.....
 Mark Hampton
 Treasurer

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



CONSOLIDATED CASH FLOW STATEMENT
AS AT 31 MARCH 2018

	2018	2017
	£'000	£'000
Cash flows from operating activities (Note 22)	(527)	(654)
Cash flows from investing activities		
Purchase of fixed assets	-	(156)
Proceeds from the sale of investments	501	-
Management of liquid resources	-	300
	<u>501</u>	<u>144</u>
(Decrease) in cash and cash equivalents in the year	(26)	(510)
	<u>315</u>	<u>825</u>
Cash and cash equivalents at the beginning of the year	315	825
Cash and cash equivalents at the end of the year	<u>289</u>	<u>315</u>

The accounting policies and notes on pages 33 to 56 form part of the Accounts.

NOTES TO THE ACCOUNTS
AS AT 31 MARCH 2018

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 2018, 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.

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

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.

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 2018

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 2018

1 ACCOUNTING POLICIES (continued)

M. Pension scheme

Certain nursing 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 2018 amounted to £7,132 (2017 - £40,040) 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 2018.

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 2018.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

	Unrestricted Funds £'000	Restricted Income Funds £'000	Total 2018 £'000	Total 2017 £'000
a) Donations and legacies				
Memorials register	377	-	377	555
Donations from individuals and companies	1,552	52	1,604	1,320
Trusts	171	-	171	132
Donations received through the retail gift aid scheme	357	-	357	443
Collecting boxes	69	-	69	66
Lottery	179	-	179	196
Total donations	2,705	52	2,757	2,712
Legacies	1,079	-	1,079	615
b) Income from other trading activities: trading and fundraising				
Fundraising events	293	-	293	290
Providing goods and services, other than for the benefit of the charity's beneficiaries	41	-	41	49
Letting property held primarily for the functional use of the charity	1	-	1	1
Trading and fundraising	335	-	335	340
c) Income from other trading activities: retail shop sales	1,589	-	1,589	1,476
Total retail income	1,589	-	1,589	1,476

Trading operations

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

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

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

4. ANALYSIS OF INCOME (continued)

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

	2018	2017
	£'000	£'000
Retail income	1,589	1,476
Gift aided donations through the shops (including gift aid)	357	443
	<hr/>	<hr/>
Total income	1,946	1,919
Retail costs	1,642	1,613
	<hr/>	<hr/>
Contributions made by retail operations	304	306
	<hr/> <hr/>	<hr/> <hr/>

d) 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:

	2018	2017
	£'000	£'000
Turnover	478	481
Cost of sales	(177)	(178)
Operating costs	(202)	(206)
Amounts donated to Hospice of St Francis (Berkhamsted) Ltd under the Gift Aid scheme	(99)	(97)
	<hr/>	<hr/>
Retained in the Hospice of St Francis Trading Ltd	-	-
	<hr/> <hr/>	<hr/> <hr/>

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 28). Included within 2018 turnover above is £77,385 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.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

e) **Investment income**

	Unrestricted Funds £'000	Restricted Income Funds £'000	Total 2018 £'000	Total 2017 £'000
Total investment income	1	-	1	4

f) **Income from charitable activities**

NHS income for service provision

Hertfordshire	-	707	707	706
Buckinghamshire	-	148	148	80

Total NHS Income for service provision

-	855	855	786
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NHS income for specific projects

Watford General Hospital	-	33	33	46
Kilfillan Nursing Home	-	3	3	28
Hertfordshire Community Cardiology Consultant	-	3	3	-

Total NHS income for specific projects

-	39	39	74
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Charitable income from other sources

Service contracts	-	36	36	51
Grants from Macmillan Cancer Support	-	21	21	52
Grants from BBC Children in Need	-	20	20	18
Grant from The St. James's Place Foundation	-	26	26	24
Other income	92	40	132	55

Total income from charitable activities

92	182	274	274
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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 2018

5. ANALYSIS OF EXPENDITURE

	Direct costs - Staff £'000	Direct costs - Other £'000	Support costs Costs £'000	Total 2018 £'000	Total 2017 £'000
Raising funds:					
Costs of generating voluntary income	369	196	24	589	506
Costs of trading and fundraising	244	179	14	437	460
Cost of retail activities	787	781	74	1,642	1,613
	1,400	1,156	112	2,668	2,579
Charitable activities:					
Inpatient unit	1,827	651	152	2,630	2,620
Community	738	64	21	823	832
Outpatients (Spring Centre)	360	114	19	493	600
Bereavement (Spring Centre)	139	23	9	171	179
Hospital	44	19	1	64	65
Education	243	89	12	344	330
	3,351	960	214	4,525	4,626
Total	4,751	2,116	326	7,193	7,205

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 £175,792 of stock recognised as an expense in the year ended 31 March 2018 (2017: £177,453)

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

6. SUPPORT COSTS

	Administration and HR Costs £'000	Professional Fees £'000	Governance £'000	2018 £'000	2017 £'000
Costs of generating voluntary income	17	1	6	24	27
Cost of trading and fundraising	10	-	4	14	16
Cost of retail activities	53	2	19	74	84
	80	3	29	112	127
Charitable activities					
Inpatient unit	108	4	40	152	174
Community	15	1	5	21	24
Outpatients (Spring Centre)	13	1	5	19	21
Bereavement (Spring Centre)	6	-	3	9	10
Hospital	1	-	-	1	1
Education	8	1	3	12	14
	151	7	56	214	244
Total	231	10	85	326	371

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

6. SUPPORT COSTS (continued)

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.

Governance costs comprise the following:

	2018	2017
	£'000	£'000
Governance costs		
Auditors remuneration - external audit	13	14
Auditors remuneration - other advice	-	1
Salaries	80	82
Other costs	6	6
Total	<u>99</u>	<u>103</u>

7. STAFF NUMBERS AND EMOLUMENTS

	2018	2017
	£'000	£'000
Gross wages and salaries	4,222	4,123
Employer's national insurance costs	361	359
Employers' pension costs	360	345
Redundancy payments	11	32
Total Payroll costs	<u>4,954</u>	<u>4,859</u>

Average number of employees in the year, excluding bank staff	Number	Number
Charitable activities	72.8	80.7
Fundraising and retail	35.8	39.0
Support services	20.0	17.1
Average number of staff	<u>128.6</u>	<u>136.8</u>

Highest paid employees

Gross salary in the range		
£60,000 to £70,000	2	1
£70,001 to £80,000	1	1
£80,001 to £90,000	1	2
£90,001 to £100,000	-	-
£100,001 to £110,000	1	-

NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

7. STAFF NUMBERS AND EMOLUMENTS – (continued)

The Trust considers its key management personnel comprise the Trustees, the Chief Executive, the Director of Care, the Medical Director and Deputy CEO, and the Director of Finance and Information Technology. The total remuneration of the key management personnel was £332,987 (2017: £357,216).

8. TRUSTEES' EMOLUMENTS AND REIMBURSED EXPENSES

The Trustees received no emoluments for their services during the year ended 31 March 2018 (2017: nil). The Hospice paid expenses of £nil for Trustees during the year (2017: £nil). Total donations by Trustees were £16,704 (2017: £1,277).

9. GAINS AND LOSSES ON INVESTMENTS

	Unrestricted Funds £'000	Restricted Income Funds £'000	Total 2018 £'000	Total 2017 £'000
Realised gains on investment assets	8	-	8	-
Unrealised gains on investment assets	116	-	116	230
Total gains on investment assets	124	-	124	230

10. NET MOVEMENT IN FUNDS

	2018 £'000	2017 £'000
The net movement in funds is arrived at after charging/(crediting):		
Depreciation of fixed assets	303	425
Auditors remuneration	13	14
Other amounts paid to the auditors	-	1
Operating lease rental: land and buildings	220	203
Operating lease rental: equipment	15	15

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

11. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Furniture and equipment £'000	Shops' fixtures and Fittings £'000	Total £'000
Group and Charity				
Cost				
At 1 April 2017	6,522	1,260	178	7,960
Reclassification	34	(33)	(1)	-
Disposals	-	(4)	-	(4)
At 31 March 2018	6,556	1,223	177	7,956
Depreciation				
At 1 April 2017	1,471	952	155	2,578
Reclassification	16	(20)	4	-
Charge for the year	149	137	17	303
At 31 March 2018	1,636	1,069	176	2,881
Net book value				
At 31 March 2017	5,051	308	23	5,382
At 31 March 2018	4,920	154	1	5,075

Included in freehold land and buildings is land valued at £601,000 (2017: £601,000), which is not depreciated.

The Hospice lift has been reclassified to Freehold land and buildings and the cost of a computer held at one of the shops has been reclassified to Furniture and equipment.

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



NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

12. FIXED ASSET INVESTMENTS	2018	2017
Group	£'000	£'000
Unlisted investments		
The Hospice Lottery Partnership Ltd	85	85
Total unlisted investments	85	85
Listed investments		
ishares V PLC-iShares MSCI	1,145	1,358
Jupiter Global Fund	513	510
PIMCO funds	376	514
M&G Property Portfolio Shares	283	312
Total listed investments at market value	2,317	2,694
Total investments	2,402	2,779
Listed investments at historic cost	2,315	2,315
Charity		
Total Group investments	2,402	2,779
Investment in Hospice of St Francis Trading Ltd	40	40
Total investments	2,442	2,819

Gains on investments have resulted in a revaluation reserve of £580,000 at 31 March 2018 (2017: £464,000).

Included within fixed asset investments are:

- 40,000 shares (100%) (2017 – 40,000 shares 100%) in Hospice of St Francis Trading Ltd – see notes 4c, d and 23.
- 14 shares (16.67%) (2017 – 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 2018 show income for the year of £1,889,077 charitable donations of £52,890, and retained profits at 31 March 2018 of £22,371.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

13. ANALYSIS OF MOVEMENTS IN FIXED ASSET INVESTMENTS	2018	2017
Group	£'000	£'000
Carrying value of investments at 1 April 2017	2,779	2,549
Disposals of investments at carrying value	(493)	-
Net gain on revaluation	116	230
Carrying value at 31 March 2018	2,402	2,779
Charity		
Carrying value of investments at 1 April 2017	2,819	2,589
Disposals of investments at carrying value	(493)	-
Net gain on revaluation	116	230
Carrying value at 31 March 2017	2,442	2,819
14. DEBTORS	2018	2017
Group	£'000	£'000
Taxation recoverable	73	50
Other debtors	40	51
Prepayments	129	130
Accrued income	789	242
Total	1,031	473
Charity		
Taxation recoverable	73	50
Amounts owed by group companies	74	73
Other debtors	38	51
Prepayments	117	119
Accrued income	789	242
Total	1,091	535

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 2018

15. CREDITORS: amounts falling due within one year	2018	2017
Group	£'000	£'000
Taxation and social security	90	102
Other creditors	191	192
Deferred income	128	105
Accruals	51	43
	<hr/>	<hr/>
Total	460	442
	<hr/> <hr/>	<hr/> <hr/>
Charity		
Taxation and social security	90	102
Other creditors	188	181
Deferred income	128	105
Accruals	45	38
	<hr/>	<hr/>
Total	451	426
	<hr/> <hr/>	<hr/> <hr/>

Included within other creditors is an amount outstanding at the year-end of £20,521 (2017: £18,954) relating to the defined contribution pension schemes and £21,115 (2017: £23,168) relating to the defined benefit pension scheme.

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 2017 was released in the year ended 31 March 2018.

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

16. FUNDS			
Group	General Reserves £'000	Designated Reserves £'000	Total Unrestricted Reserves £'000
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)
At 31 March 2018	3,400	4,865	8,265

Designated fund

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

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

17 FUNDS (continued)

RESTRICTED FUNDS	At				At
	01-Apr	Income	Expenditure	Transfers	31-Mar
Group and charity	2017				2018
	£'000	£'000	£'000	£'000	£'000
Restricted donations	28	52	(47)	14	47
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's 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)	-	-
East of England Education	-	14	(10)	-	4
The Berkhamsted & Boxmoor (BT) Benevolent Society	19	10	(1)	1	29
Total restricted funds	57	1,089	(1,048)	15	113

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

17. FUNDS (continued)

Restricted funds

The restricted funds at 31 March 2018 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. Additional funding was received to relieve hospital bed pressure during the winter months and towards the later part of February and March 2018.

The Chilterns CCG grant comprises an annual grant for palliative care service provision, plus additional amounts for the care of specific patients.

The Macmillan Cancer Support grants covered:

- A proportion of the costs of one of the Hospice consultants
- A proportion of the employment costs of certain therapy staff
- The set up costs of several projects including patient nutrition and wellbeing.

Hertfordshire County Council and Herts Valleys CCG part-funded the ABC nursing home education project, which provides end of life training in Hertfordshire nursing homes. This funding came to an end in March 2018.

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.
- a proportion of the costs of a Hospice dementia education post to provide palliative and end of life care education in Hertfordshire Nursing Homes which care for patients suffering from dementia (this project ended in August 2017).

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

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

17. FUNDS (continued)

Peace Hospice Care contributed towards the salary cost of a director of education post which operates across Peace Hospice Care and Hospice of St Francis. This funding ended in September 2017 and has been replaced by Hertfordshire Hospice Education and Research Consortium.

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

The full breakdown of fund movements for the year ended 31st March 2017 is shown in the audited accounts for the year ended 31st March 2017 which are available from the Charity Commission.

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total 2018 £'000
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)
Total	3,400	4,865	113	8,378

19. RELATED PARTIES

Transactions between the Charity and Hospice of St Francis Trading Limited were as follows £99k (2017: £97k), 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 2018

20. FINANCIAL COMMITMENTS	2018	2017
At 31 March the total commitments under operating leases were as follows:	£'000	£'000
Group and charity		
Financial commitments		
Land and buildings:		
Operating leases which expire:		
- within one year	-	46
- from two to five years	443	158
- over five years	695	624
	<hr/>	<hr/>
Total land and buildings	1,138	828
	<hr/>	<hr/>
Equipment hire agreement		
Operating leases which expire:		
- from two to five years	40	23
- over five years	-	31
	<hr/>	<hr/>
Total equipment	40	54
	<hr/>	<hr/>
Total	1,178	882
	<hr/>	<hr/>

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

Operating lease costs of £234,252 were expensed in the year ended 31 March 2018 (2017: £218,000)

21. CAPITAL COMMITMENT

The Hospice has no capital commitments (2017:Nil).

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

22. RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES

	2018	2017
	£'000	£'000
Net movement in funds	(179)	(775)
Unrealised profit on investments	(116)	(230)
Profit on the sale of investments	(8)	-
Depreciation	303	425
Write off of fixed assets	4	-
Decrease in stocks	9	-
Increase in debtors	(558)	(129)
Increase in creditors	18	55
	<hr/>	<hr/>
Net cash used in operating activities	(527)	(654)
	<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.

23. 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.

	2018	2017
	£'000	£'000
Stocks	41	50
Debtors	14	12
Cash at bank and in hand	73	73
Creditors falling due within one year	(83)	(90)
	<hr/>	<hr/>
Net Assets	45	45
	<hr/>	<hr/>
Shareholders' equity	40	40
Profit and loss account	5	5
	<hr/>	<hr/>
Total Shareholders' funds	45	45
	<hr/> <hr/>	<hr/> <hr/>

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

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

	Trading Subsidiary £'000	Charity £'000	Consolidated Total £'000
Income			
Voluntary funds	-	3,836	3,836
Activities for generating funds	478	1,446	1,924
Investment income	-	1	1
Incoming from charitable activities	-	1,129	1,129
Other	-	8	8
Total Income	478	6,420	6,898
Expenditure			
Costs of generating voluntary income	-	589	589
Trading costs	379	1,700	2,079
Costs of charitable activities	-	4,525	4,525
Gift aid donation to Hospice of St Francis	99	(99)	-
Total Expenditure	478	6,715	7,193
Net operating deficit for the year	-	(295)	(295)
Realised and unrealised gains on investments	-	116	116
Total	-	(179)	(179)

HOSPICE OF ST FRANCIS (BERKHAMSTED) LIMITED
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NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

25. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (31 MARCH 2017)

	Unrestricted Funds Note 1C £'000	Designated Funds Note 1C £'000	Restricted Income funds Note 1C £'000	Total 2017 £'000
INCOME FROM (NOTE 4)				
Donations and legacies				
Donations	2,563	-	135	2,698
Legacies	615	-	-	615
Charitable activities				
NHS Grants for Hospice care	-	-	786	786
Other income from charitable activities	36	-	238	274
Other trading activities				
Trading and fundraising	340	-	-	340
Retail income	1,476	-	-	1,476
Share of incoming resources from joint Venture	-	-	-	-
Investments	4	-	-	4
Total income	5,034	-	1,159	6,193
EXPENDITURE ON:				
Raising funds (note 5)				
Voluntary income	489	10	7	506
Trading activities	456	4	0	460
Retail activities	1,613	0	0	1,613
	2,558	14	7	2,579
Net income available for charitable Activities	2,476	(14)	1,152	3,614
Charitable activities (note 5)				
Inpatient unit	1,699	73	841	2,613
Community	780	7	45	832
Outpatients (Spring Centre)	498	29	73	600
Bereavement (Spring Centre)	139	7	33	179
Hospital	19	0	46	65
Education	242	15	73	330
	3,377	131	1,111	4,619
Total expenditure (note 5)	5,935	145	1,118	7,198
Carried forward	5,935	145	1,118	7,198

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



NOTES TO THE ACCOUNTS (continued)
AS AT 31 MARCH 2018

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (31 MARCH 2017) (CONTINUED)

	Unrestricted Funds Note 1C £'000	Designated Funds Note 1C £'000	Restricted Income funds Note 1C £'000	Total 2017 £'000
Brought forward	5,935	145	1,118	7,198
	(901)	(145)	41	(1,005)
Net gains on investments (note 9)	230	-	-	230
Net income/(expenditure)	(671)	(145)	41	(775)
Transfers between funds	10	-	(10)	-
Net movement in funds	(661)	(145)	31	(775)
Total funds brought forward	4,132	5,167	26	9,325
Total funds carried forward	3,471	5,022	57	8,550