

**REGISTERED NUMBER:
COMPANY 01850502
CHARITY 515668**

**REPORT OF THE GOVERNORS
AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

FOR

**ST RICHARD'S HOSPICE FOUNDATION
REGISTERED CHARITY LIMITED BY GUARANTEE**

ST RICHARD'S HOSPICE FOUNDATION
REGISTERED CHARITY LIMITED BY GUARANTEE
CONSOLIDATED FINANCIAL STATEMENTS

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STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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ST RICHARD'S HOSPICE FOUNDATION

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 MARCH 2021

The Governors present their annual report, strategic report and audited financial statements of the parent charity and its subsidiary undertaking for the year ended 31 March 2021. The accounts comply with current statutory requirements, the charity's governing document and the Statement of Recommended Practice – Accounting and Reporting by Charities.

Reference and administration details of the charity, its trustees and advisers

The name of the charity is St Richard's Hospice Foundation ("St Richard's Hospice"), a company limited by guarantee. The company was incorporated on 24 September 1984. Memorandum and Articles of Association were updated and filled with Companies House on 2nd February 2005. In accordance with Section 60 of the Companies Act 2006, the company is exempt from the requirements of that Act to include 'Limited' as part of its name. The company's registered number is 01850502. The company is also a registered charity, number 515668.

The principal address and registered office of the company:

St Richard's Hospice
Wildwood Drive
Worcester
WR5 2QT

Trustees

Governors in office during the year:

J M Bawden	(Chairman – retired 5 April 2021)
Mrs J P Cowpe	(Chairman – appointed 6 April 2021)
J G Bartholomew	(Vice Chairman – appointed 6 April 2021)
Professor R A Lewis	(Vice-Chairman)
D C Annetts	
R Dunne	
Mrs H E Edwards	
P L Flagg	
CCA Glossop	
S A Hyslop	(retired 20 September 2021)
Dr I M Laws	
Mrs J Matthews	(appointed 24 May 2021)
Mrs A L Palmer	
Dr J S Rankin	
Cllr A Roberts	
Mrs H Serrano	(appointed 24 May 2021)
R G Shaw	(Treasurer – retired 5 April 2021)

The Governors delegated the day to day management of the charity to the Chief Executive, June Patel.

Key Management Personnel

Chief Executive	June Patel	
Director of Finance and Information	Daniel Haigh	(appointed 1 October 2020)
Medical Director	Dr Nicola Wilderspin	
Commercial Director	Daniel Corns	
Fundraising Director	Tricia Cavell	
Care Director	Debbie Westwood	

Principal Advisers

The company's independent auditors

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
B69 2DG

The company's solicitors

Hallmark Hulme
Solicitors
3, 4 & 5 Sansome Place
Worcester WR1 1UQ

The company's bankers

National Westminster Bank Plc
1 The Cross
Worcester WR1 3PR

Barclays Bank Plc
54 High Street
Worcester WR1 2QQ

The company's investment advisers

Close Brothers Asset Management Limited
10 Exchange Square
Primrose Street
London EC2A 2BY

ST RICHARD'S HOSPICE FOUNDATION

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

Structure, governance and management

The company is governed by its Memorandum and Articles of Association.

Council of Governors

In accordance with the company's Articles of Association, the company has a council whose Governors are members. Such Governors constitute directors of the company for Companies Act purposes and trustees of the charity for Charity Act purposes.

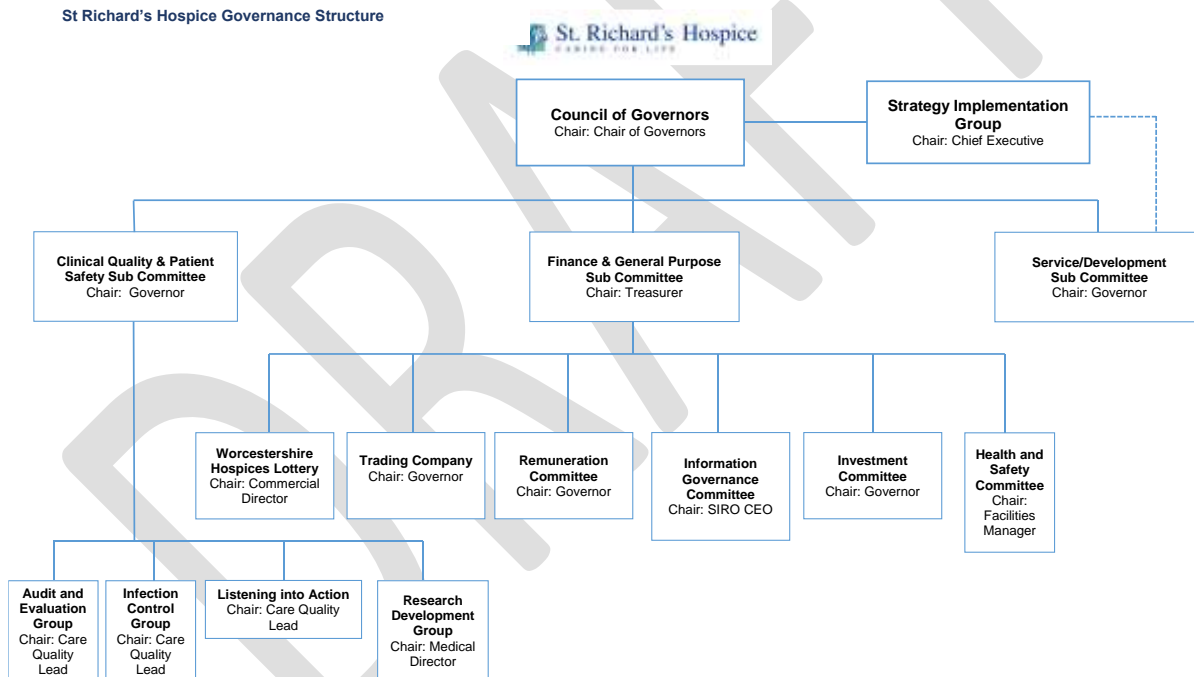
The company is limited by guarantee and therefore the Governors have no beneficial interest to disclose. The appointment of new Governors is undertaken by the current Governors and approved by the members at the AGM. Two Governors are nominated by Worcester City Council, who are volunteers within the Council.

St Richard's Hospice Governors are expected to be pro-active and actively involved in supporting the Hospice. Potential Governors are identified by the skills and expertise they will bring, as well as their motivation and support for the mission. They are interviewed by the Chairman and at least two other Governors. They are required to attend the volunteer induction training programme and receive formal induction by the Chairman. The Chairman works with other Governors to review their performance and contribution to the work of the Hospice.

Organisation

Strategic decisions are made by the Council of Governors in regular meetings, delegating operating responsibilities to appropriate sub-committees. Day to day management is conducted by the Chief Executive Officer, who reports regularly to the Council of Governors.

The management structure up to the start of the Covid 19 pandemic which emerged in early March 2020 was:

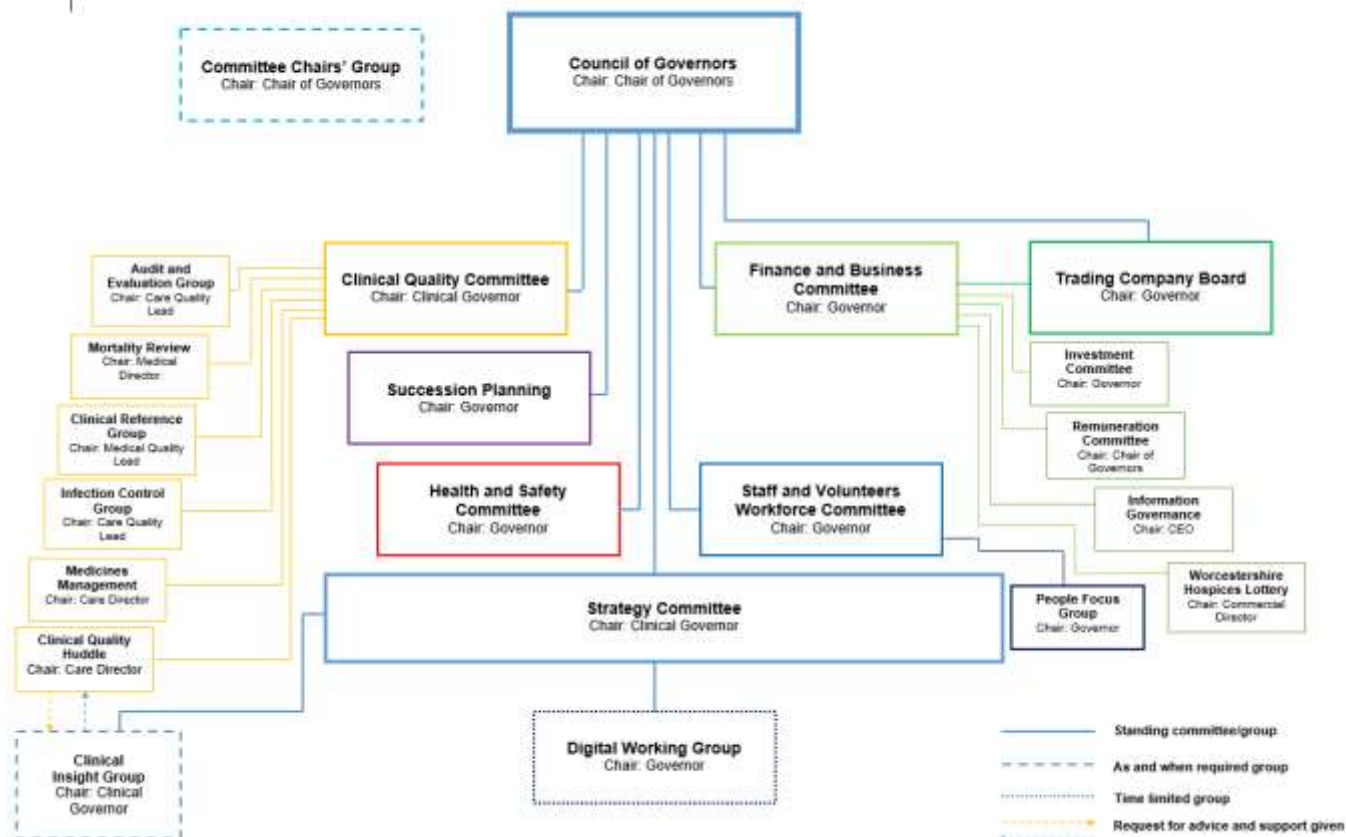


In response to the pandemic the Council of Governors began working in the following temporary sub-groups:

- Financial Viability
- Patient Care
- Staff and Volunteers
- Commercial
- Green. (Phase 2 of Build 2020)

The Financial Viability Group met monthly to review rolling forecasts which covered a period of up to 24 months. The requirement for and appropriateness of the sub groups have been kept under review with the financial committee structures now having been agreed:

St Richard's Governance Committee Structure – June 2021



The Financial Viability Group was stood down from May 2021, but meetings of the Finance and Business Committee will now take place bi-monthly instead of quarterly.

To support the flow of information for these various groups, an information HUB is to be created in the 2021/22 year being a group of staff dedicated to quick, accurate, meaningful and quality assured data to support decision making within the organisation.

Governors chair most committees, they meet regularly and report to the quarterly Council of Governors meetings. The Hospice has a full suite of policies and procedures which clearly outline the demarcation of levels of responsibilities.

St Richard's Hospice is affiliated to the National Council of Palliative Care, is a member of Hospice UK and is a member of the Herefordshire and Worcestershire Chamber of Commerce.

Subsidiary and associated companies

The charity has a wholly owned subsidiary company – St Richard's Hospice Trading Company Limited. The object of St Richard's Hospice Trading Company Limited, which sells new and second hand donated goods, is to raise funds for St Richard's Hospice Foundation.

The charity's owns 33.33% of Worcestershire Hospices Lottery Limited. It shares equal ownership with Primrose Hospice Limited and Acorns Children's Hospice.

For the purposes of these consolidated accounts, the wholly owned subsidiary has been consolidated on a line by line basis and the holding in Worcestershire Hospices Lottery Limited included using the equity method applicable to joint ventures.

ST RICHARD'S HOSPICE FOUNDATION

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

Covid- 19

The Covid-19 pandemic had a material impact on the financial results of both St Richard's Hospice and St Richard's Hospice Trading Company Limited. However, many new income streams replaced what had been temporarily lost.

Income Streams Negatively Impacted

- Retail income from the closure of shops
- Fundraising events which required physical participation

New Income Streams

- An increase in virtual events
- A successful resilience appeal
- New campaigns
- Business interruption insurance claim
- Income from our local NHS CCG in the form of grants
- Income from NHS England administered by Hospice UK
- Receipts from the government furlough scheme, mostly benefiting shops
- Rates relief and retail grant schemes from local government
- Investment income and gains

At the same time, costs were reduced due to a focus on keeping costs low whilst there was a reduced level of activity for non-patient care activities.

The result of the above variables is a surplus which will bolster reserves to meet a new reserves policy which has a level currently set to help and protect the hospice from future potential uncertainty around future income streams and increased costs.

What other financial measures did we take?

When the pandemic caused the first national lockdown in late March 2020, St Richard's was in a strong financial position but faced a very uncertain future like much of the rest of the country. With this potential threat to liquidity and a focus on the need for us to continue to support patients we approached our bank, Barclays, with which we have an excellent working relationship, to secure a £2m Coronavirus Business Interruption Loan (CBILs loan) which we have repaid following the year end.

The interest on the loan was to be paid by the government. The accounting for this in the accounts is to show the interest as a cost and an equal and opposite income stream in the form of a grant from the government.

The senior management team also reassessed the need to invest in small capital items (below £250k of spend) in the year which reduced our requirement for cash.

How has patient care changed during the pandemic?

A number of our services have experienced a reduction in the number of referrals in the last year. However, the activity for each service has increased reflecting the complexity of patient's need, i.e. there are more interventions, interactions and care needed to support each patient. Despite the additional demands of redesigning services in a pandemic and the additional PPE burden, services have coped well. The prediction is that the numbers of referrals will increase dramatically in 2021/22. We will continue to monitor the impact of this increased complexity of patient needs combined with the expected increase in referrals.

What changes do we want to keep?

The virtual model employed by many of our services has come with some benefits which we will look to hold onto. A blended model of physical and virtual engagement with patients to suit their care needs which enables us to best deliver the support we have to offer is our focus in the coming period as we look to respond to the predicted increase in referrals.

ST RICHARD'S HOSPICE FOUNDATION

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

The future

The Green

Work to finish our Build 2020 project had started before the pandemic struck. The final part to be constructed was The Green the main section of which is shown below:



The Green and associated rooms connected to the main section will provide a beautiful, therapeutic and supportive environment for patients, loved ones, volunteers and staff.

The adjoining art studio, exercise studio, music and film therapy room, complementary therapy room and hair salon (picture below before being furnished) will provide many opportunities to care and engage with our community.



Covid restriction still had an effect on how we could deliver services at the start of the financial year. A restoration plan for services was implemented to ensure when we introduce a service it is done so in a co-ordinated and safe way.

The deferral in spending on small capital items during the financial year will be restarted now we have sufficient reserves.

Our Purpose, Vision and Values

Our purpose (in brief)

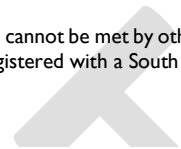
To care for adults with a serious progressive illness, improving their quality of life from diagnosis, during treatment and to their last days. We also support their loved ones.

Our vision

That people affected by a serious progressive illness and their loved ones have access to a range of free, excellent care and support to enable them to live life to the full.

For whom do we care?

We care for people with a serious progressive illness who have complex needs which cannot be met by other services. These include cancer and neurological, respiratory, cardiac and renal conditions. All our services are available to people registered with a South Worcestershire GP. Our In-Patient Unit cares for people across Worcestershire.



Our shared values

These values define our relationships with all those we care and support, our colleagues and the wider community.



ST RICHARD'S HOSPICE FOUNDATION

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

Our services and how they meet our purpose in detail

- Care is provided by St Richard's Hospice Clinical Nurse Specialists and Hospice at Home teams to patients with a life limiting illness and their loved ones, in their own home, where home is identified by the patient as the preferred place of care.
- Multi-disciplinary Day Services provide enabling, rehabilitative and psychological support for patients to live as well as possible with a life limiting illness. This is achieved by monitoring pain and other physical symptoms, providing advice and guidance to families and loved ones and other supporting therapies e.g. aromatherapy.
- Medical advice to General Practitioners is provided by St Richard's medical team as appropriate.
- Bereavement support and counselling is provided for family and loved ones of former patients both pre and post death. A bespoke bereavement service (commissioned by the NHS) is provided for sudden death e.g. suicide and road traffic accidents.
- Telephone access to information and signposting for the general public and health and social care professionals via our Gateway service, led by a team of Clinical Nurse Specialists.
- A 17 bed consultant led In-Patient Unit with full Multi-Disciplinary Team support, including a designated medical team.
- Chaplaincy and spiritual support to provide multi-faith spiritual help and guidance.
- 24/7 telephone advice is available via our Gateway service and Clinical Nurse Specialist (CNS) on call out of hours. The Gateway services provides a "triage" service in working hours (8.30am -5.00pm) and switches to a telephone advice line led by a CNS on call from 5.00pm - 8.30am.
- Volunteer services provide trained volunteers to support patients, families and carers at home, in Day Services and the In-Patient Unit.
- Education and training in specialist palliative and end of life care for health and social care staff, students, staff and volunteers is provided by our bespoke education team.
- Participation and engagement in appropriate research projects led by the National Institute for Health Research Clinical Research Network: West Midlands.

Strategic Objectives & Activities

The strategic objectives set for the period 2019- 2023 are:

- Develop patient services to meet the specialist, rehabilitative, palliative and end of life care needs of patients with a life limiting illness in the In-Patient Unit and the community 24/7.
- Develop and maintain a flexible, multi-skilled work force who will be equipped to meet the challenges of developing specialist palliative and end of life care.
- Maintain financial reserves of at least 6 months of the charitable foundation's expenditure.
- Sustain good relations with all appropriate NHS, civic, private, and voluntary and community sector partners.
- Deliver high quality palliative and end of life care in Worcestershire by the better integration of the provision of care with partners and most efficient use of all assets and organisations.
- Nurture staff and volunteer loyalty and retention by a proactive HR policy that encourages job satisfaction through good personnel management, training and personal development planning, while offering realistic financial remuneration.
- Obtain long term contracts with NHS Commissioners, or other statutory bodies that provide St Richard's Hospice with statutory funding and service support that conforms to national tariffs, Department of Health guidelines, and Strategic Transformation plans for Worcestershire and Herefordshire and ensure that the financial allocation compares favourably with the average national contribution to independent hospices.
- Sustain an achievable annual increase in income from fundraising and all commercial activities to cover increases in services, inflation and any reduction in statutory funding that may impact upon St Richard's Hospice.
- Develop and maintain St Richard's Hospice profile across Worcestershire, and other areas from which patients come, as the first choice charity to support.
- Broaden the recruitment of new volunteers to take into account local demographics and modern cultural attitudes towards volunteering and increase in volunteering roles.

Our method

Hospice is not a place, it is a philosophy of care. We provide free physical, social, psychological and spiritual palliative care in the form of specialist medical, nursing, counselling and care support to patients with cancer and other life-limiting illnesses, their families and carers. Patient care is provided at home, in nursing homes, in residential homes, in the community hospitals, in the Worcestershire Royal Hospitals Acute NHS Trust, at Wildwood Drive, or wherever the patient is.

We work closely with our community and hospital colleagues from the NHS, Social Services, local nursing homes and other voluntary service providers. All our work enhances the care and support patients and their families receive from statutory services.

Our care is unconditional, non-judgemental and provided free of charge to all at the point of delivery, regardless of creed, gender, ethnic origin or social background.

Employees and Volunteers

St Richard's Hospice has a Remuneration Committee chaired by the Chairman of Governors with three additional Governors and attended by the CEO, HR Manager and Director of Finance and Information. Each year it reviews the salaries of all members of staff. Salaries for senior management are benchmarked against the Croner Hospice Rewards and Charities Rewards reports with consideration being given to the regional, West Midlands, median. Additionally, consideration is given to NHS and private sector comparators. This process is applied to setting the remuneration of key management personnel.

ST RICHARD'S HOSPICE FOUNDATION

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

Employees and Volunteers (Continued)

It is charity policy to give full and fair consideration to applications for employment made by disabled persons, having regard to the particular abilities and aptitudes of each applicant and to the requirements of vacant posts available. Employees who become disabled in service are retained where possible either in their own or more suitable posts. Staff and volunteers are kept up to date with hospice matters through a weekly newsletter and the "In Touch" news sheet sent to all volunteers.

The charity is reliant upon its 800+ volunteers who work across the full breadth of its patient services, in the shops, and fundraise. During the COVID 19 pandemic, informed by national guidance and where it has been safe to do so our volunteers have continued to support us in many ways - shopping for and delivering food to vulnerable patients at home, collecting PPE, and manning reception are a few examples of this.

	2021	2020
	Annual	Annual
	Hours	Hours
Patient Services		
Education Administrator	0	4
Family Support Administrator	0	43
HR Administrator	0	285
Volunteer Services Administrator	0	517
Living Well Administrator	0	10
Chaplain	6	1029
Community Sitter	0	432
Community Social	205	502
Hospitality Assistant	0	1054
Counsellor	10	1324
Family Support Volunteer	139	1229
Telephone Bereavement Support	0	15
Bath Nurse	0	11
Clinical Support	0	827
Living Well Volunteer	184	5650
Hairdresser	0	4
Misc activities	0	15
In-Patient Unit Helper	6	2267
Complementary Therapist	6	487
Creative Diversional	449	4
Physiotherapist	0	19
Driver-Minibus	0	373
Escort-Minibus	0	336
Driver-Own Car	0	478
	1005	16915
Support Services and Trading Company		
Community Engagement	0	2
Gardener	102	168
Kitchen Assistant	0	108
Maintenance	69	475
Reception Main Building	1714	5675
Governor Trustee	0	524
Finance Administrator	172	858
Fundraising Administrator	19	1013
Tin Collector	0	322
Shop volunteers	21344	80404
Administration	296	1077
Trading Board Member	34	34
Warehouse Volunteer	0	10352
	23750	101012
Grand Total	24755	117927

Strategic Report

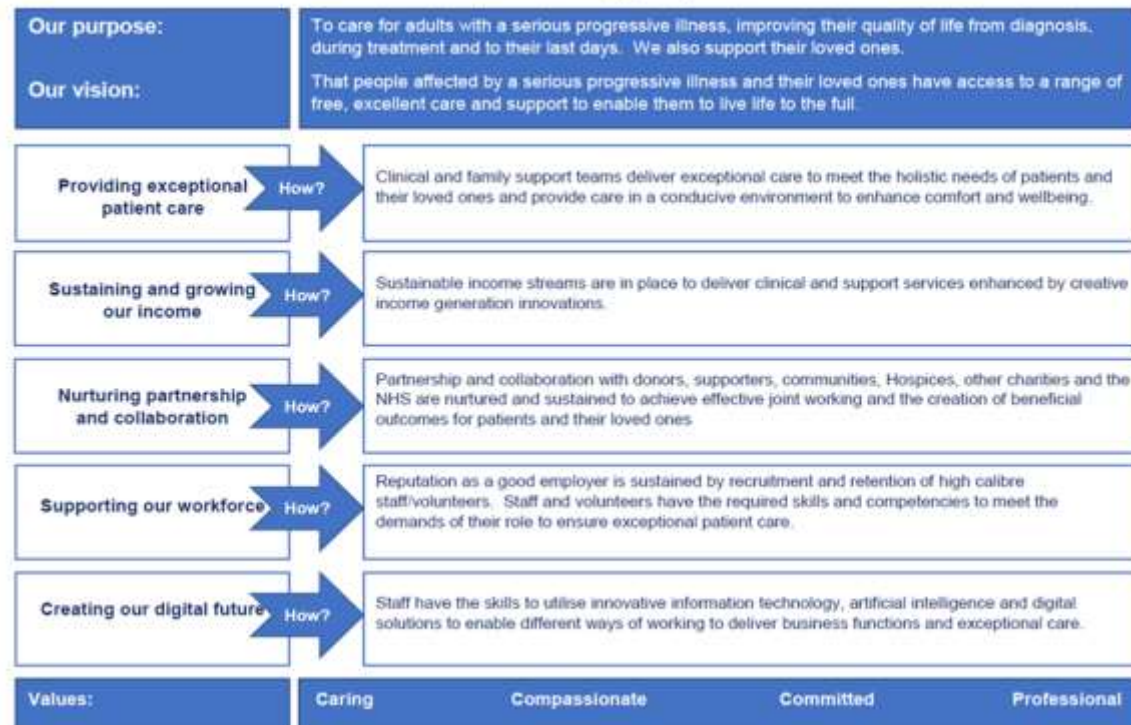
STRATEGY 2019-2023

St Richard's Hospice

Looking to the future 2019-2023: Strategy map and matrix



St Richard's Strategy Map



ST RICHARD'S HOSPICE FOUNDATION

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

Strategy – Non Clinical

Achievements and performance including plans for future periods

Financial review

Following material fundraising targets and activity on the previous page our financial review is as follows:

St Richard's Hospice Foundation

Total income for the year was £9,563,667 (2020- £7,946,778). Total expenditure was £7,122,561 (2020 - £7,191,607).

At 31 March 2021 the charity's unrestricted fund balances were £18,503,657 (2020 - £16,144,613) of which £12,674,165 (2020 - £11,016,261) represented designated tangible fixed assets.

The Hospice activities, which are provided free of charge, are primarily funded by public donations, fundraising activities and income generated by the shops operated through St Richard's Hospice Trading Co Limited, supported by a service contract with the NHS.

The restricted funds are detailed on pages 36 to 37. Total restricted funds were £107,383 (2020 - £25,318). The main factor which influenced the financial results in the year was the Government's response to the Covid 19 pandemic, in the form of additional financial support for Hospices.

St Richard's Hospice Trading Company Limited

The company generated sufficient funds, net of gift aided sales, to be able to distribute £507,007 (2020 - £517,462) from operations in its shops and warehouse to the parent charity. Total income, including income from the sale of gift aided donated goods, which is recorded in the Charity accounts, was £2,134,877 (2020 - £2,946,591) and total direct expenditure was £1,743,994 (2020 - £2,179,285).

The Group

The Group's results show total income (including the joint venture) of £10,762,560 (2020 - £9,981,124). Net income was £2,006,171 (2020 - £755,171) and after including net gains on investments and fixed asset revaluations of £434,938 (2020 - loss £157,180), the net movement in funds was £2,441,109 (2020 - £597,991). Total reserves figure amounted to £18,611,040 (2020 - £16,169,931) and represents unrestricted reserves of £18,503,657 (2020 - £16,144,613) and restricted reserves of £107,383 (2020 - £25,318).

PRIORITIES FOR IMPROVEMENT 2019-2023

PLANS FOR FUTURE PERIODS

Material Fundraising Targets and Activity

Fundraising targets are set as part of the annual budgeting process. The three main sources of income for the hospice are grouped as follows:

- 1: NHS
- 2: Donations, legacies and fundraising events
- 3: Income from Shops

NHS

The budget for this stream of income was set at a zero uplift on actual funds received in 19/20. St Richard's managed to achieve a 2.803% uplift in the level of NHS support in the period. In response to the COVID 19 epidemic the charity received additional grants totalling £357,912 from the Hereford and Worcestershire CCG, and a central government grant administered by Hospice UK of £1,726,921.

DONATIONS, LEGACIES AND FUNDRAISING EVENTS

In early March 2020 the emergence of the COVID 19 epidemic had a significant impact on our fundraising activities. Restrictions on social interaction and travel meant that all face to face fundraising activities were curtailed from March 2020 and all shops were closed. Alternative means of fundraising and hosting events were initiated, including several successful online and virtual events. A resilience fund was set up and a successful appeal sent out to supporters. When COVID 19 funding was made available by some private Trusts, the funds were fully explored and applications made with a good degree of success. Total income for these sources exceeded budget by over £199k in the year. Although events and challenges achieved results significantly below budget due to the impacts of Covid 19, this was more than offset by legacy and Trust income being significantly higher than budget.

INCOME FROM SHOPS

St Richard's Hospice Trading Company Limited had a distribution target of £840k set for the financial year 20/21, made up of net profit for the organisation and gift aid income on second hand goods. Total amounts raised against this target was £559k. This target will not agree to the audited accounts as this is an internal measure created using a separate method of measuring performance. The company experienced long periods of closure within the financial year due to Covid 19 the effect of which was mitigated by government retail grants a successful business interruption insurance claim and rates relief.

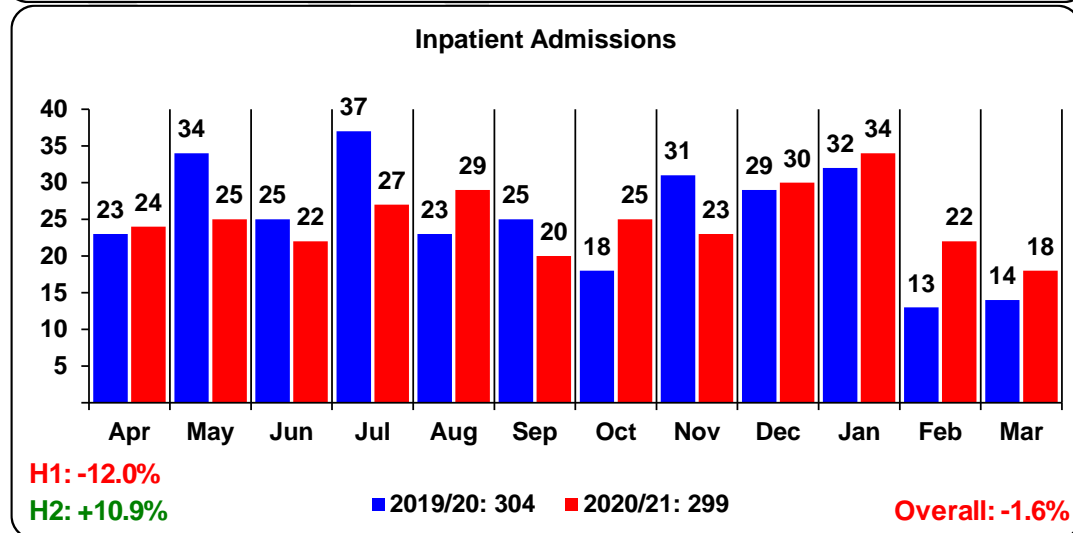
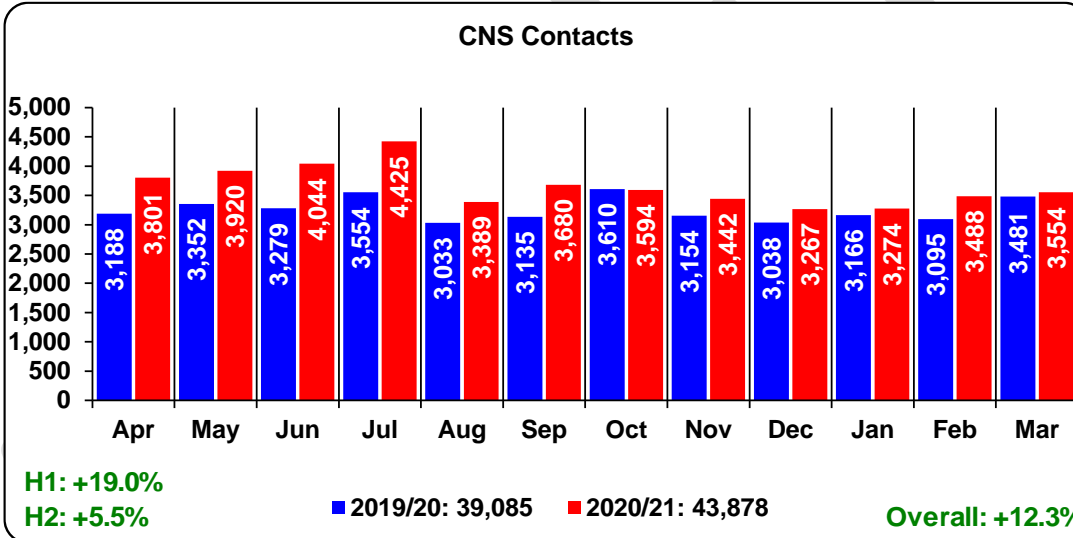
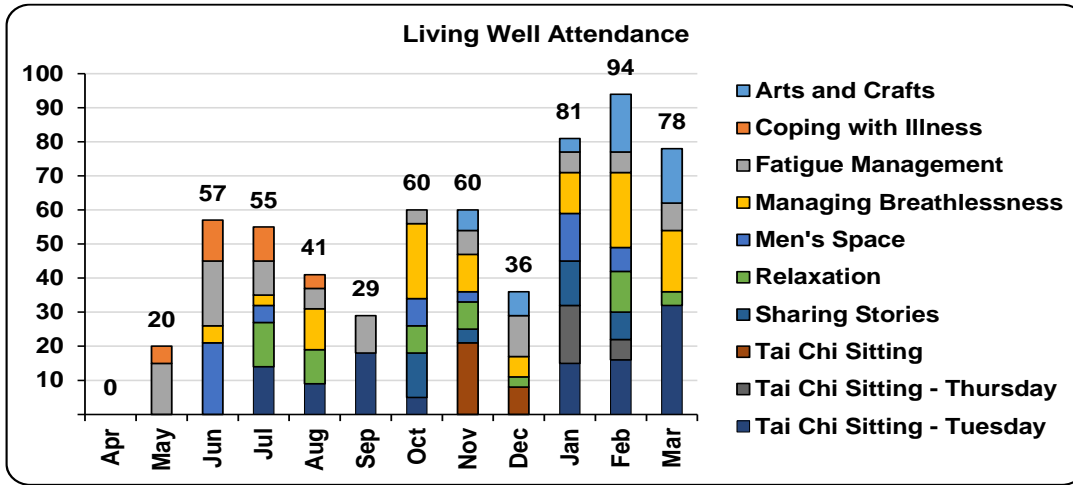
The cost of fundraising activities in the period was reduced to £2,716,432 (2020 - £3,186,454) being a consequence of not running physical fundraising events.

ST RICHARD'S HOSPICE FOUNDATION
REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

Strategy – Clinical

Clinical performance

A summary of the effects of Covid-19 has been given above. Activity outputs for some of our services are as follows:



ST RICHARD'S HOSPICE FOUNDATION REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

Activity for some services were affected more than others during the lockdowns with Living well attendances at 0 for the first month which was followed by a strong rebound in activity as services activity was restored.

Comments from service users and their families continued to be received which gives an indication of the how we performed during these challenging times:

"Listening to other people saying they are very frightened when they cannot get their breath helped me to know I am not the only one who feels like this. It is very frightening, but I am learning that if others are scared too and are ok, I can be ok. Sometimes doctors are busy and do not always have time to explain things to me about my breathlessness. In the group there is more time and it is easier to understand. We all have different illnesses, but we are all breathless in the group so can help each other." (Patient February 2021)

"When Mom became terminally ill, and the GP suggested that she spent the rest of her time in St Richards Hospital, I had my doubts, but she needed the specialist end of life care package, that we could no longer could provide. So reluctantly, I agreed, with everyone else, and it turned out to be the best decision we could have made for her. The staff were excellent, the care, amazing, the building, great, and it's set in the most beautiful grounds, too. It made her end time, and the inevitable passing, certainly that bit more special, and I wouldn't hesitate, in agreeing, the next time, anyone asks me the same question, as St Richard's is the most remarkable place, and we'll forever be in their debt." (October 2020)

"My beloved dad spent his last 2 days at St Richard's before Christmas. We are so immensely grateful for the wonderful care and compassion he (and we) received. The staff we met were so lovely and kind and it gave us great comfort at such a difficult time. We thank all the amazing staff from the bottom of our hearts - we could not have wished for any more for our amazing dad in his final days." (January 2021)

Quality standards and clinical quality

The clinical work of St Richard's Hospice is subject to audit, registration and compliance by the Care Quality Commission "Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 part 3" and "CQC (Registration) regulations 2009". Following registration, there is on-going monitoring of St Richard's clinical quality via a variety of sources of information and accessible data. On 9 June 2016, the CQC rated St Richard's services overall as good.

CQC inspection area ratings (Latest report published on 9 June 2016)

Safe	Good ●
Effective	Good ●
Caring	Good ●
Responsive	Outstanding ☆
Well-led	Good ●

The Hospice holds its own quarterly Clinical Quality & Patient Safety Sub-Committee meetings which are attended by two Governors, where quality matters are reviewed. The Minutes of these meetings are submitted to the Service/Development Sub-Committee and the Council of Governors. Additionally, annual Clinical Quality Reviews are carried out with NHS Commissioners.

PRIORITIES FOR IMPROVEMENT 2019-2023

Summary of achievements:

Improvement Priority 1: Develop a Clinical Strategy that outlines a clear clinical vision for St Richard's clinical teams in line with Sustainability and Transformation Partnership (STP) priorities, widening access to end of life care, the delivery of exceptional person-centred specialist end of life care through continuous service improvement confirmed by positive feedback from patients and loved ones. **Partially completed. Engagement has taken place with staff, partner organisations and patients to determine the strategy going forwards. This work continues in the context of the global COVID 19 pandemic.**

Improvement Priority 2:

Aspire to an Outstanding rating by CQC following the next unannounced visit. **Partially completed. Although no CQC visit in the year, St Richards has been acknowledged by the CQC as an exemplar in its response to COVID-19.**

ST RICHARD'S HOSPICE FOUNDATION

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

Public Benefit

The Governors consider that they have complied with the duty in Section 17 of the Charities Act 2011 and have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning future activities.

St Richard's Hospice clinical services are free to all; death does not discriminate and neither does St Richard's in offering a level of specialist palliative care that the NHS cannot. The only real limit upon our services is the ability to raise funds. Knowing that our resources are not limitless, the health community refers patients to the hospice who are in greatest need of its care. The number of patients that St Richard's has been able to help in 2020/21 is as follows:

Category	2020/21	2019/20
Number of Admissions to the In-Patient Unit	299	304
Monthly average of Day Hospice patients attendance	53	110
Number of Specialist Nurse new Referrals	894	1,025
Number of Family Support Client Contacts	13,385	10,733

Fundraising Disclosures – Charities (Protection and Social Investment) Act 2016

This report covers the requirements charities must follow as set out in the Charities Act 2016.

We uphold the highest standards in how we communicate with supporters and ensure that our fundraising practices meet the requirements of the recommended Codes of Practice. We are registered with the Fundraising Regulator, which maintains the standards for charitable fundraising and we ensure that our fundraising is respectful, open, honest and accountable to the public. Donors to St Richard's hospice can be assured that we comply with the regulatory standards for fundraising. Evidence of membership can be found here:

<https://www.fundraisingregulator.org.uk/directory?name=515668>

We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us.

You will find St Richard's fundraising promise on the hospice website www.strichards.org.uk/donate/have-a-question-about-donating/our-fundraising-promise/ along with our Guide to Successful Fundraising for those wishing to fundraise on St Richard's behalf. This includes a statement about monies being due to the charity to be paid within 6 weeks of the event. We monitor the activity through our CRM system using the pledge system where possible.

We encourage any fundraising service providers we work with, to also be signed up to the code.

We have no reports of any failure by the charity, or by any person acting on its behalf, to comply with fundraising standards or scheme for fundraising regulation that the charity or the person acting on its behalf has voluntarily subscribed to.

It has cost us £8.7m to provide our hospice services this year. Approximately 47% of this came from statutory funding and we need to raise the balance through fundraising. This unusually high proportion of funding from statutory funding was due to government support relating to Covid 19, and is not anticipated to be repeated.

Our fundraising effort involves encouraging donations and gifts in wills, running campaigns and events and seeking funding from Trust & grant making organisations. In the 20-21 financial year, income was impacted by the Covid 19 pandemic, particularly from funds normally raised through challenge events and hospitality, community events and corporate donations. Several of our in-house fundraising team are members of the Institute of Fundraising and continue with their professional development to ensure compliance with all the relevant standards set out in the Fundraising Regulator's Code of Fundraising Practice. We have a Governor designated to fundraising activity who uses the CC20 checklist to help monitor and 'sense check' our income generation activity. The designated Governor attends appropriate training and meets with the SMT to help ensure compliance.

Our in-house fundraising team sometimes engage with third party suppliers to help us deliver fundraising initiatives such as direct mailing or generate Trust income. We aim to ensure those agencies and personnel we employ also observe the highest standards in terms of fundraising practice and have safeguards in place when working with suppliers so that we protect our supporters and the reputation of our charity. Our website outlines our complaints policy for the public and clearly explains how an individual can complain. We received 12 complaints in the 2020-21 financial year, these were predominantly around data inaccuracies. Complaints are dealt with in line with our fundraising complaints policy. Most serious complaints are escalated to our Senior Management Team (SMT) and Governors so they can consider lessons learnt. Governors also receive a regular report about complaints and we report to the Fundraising Regulator on the totality. A full report is provided to the board annually and for the financial year this was sent to all board members with the March papers.

We do not carry out any telephone, face-to-face or door-to-door fundraising.

All fundraising activity complies with EU General Data Protection Regulation (GDPR) introduced in May 2018. Promotional goods sent out for fundraising purposes and use of our logo on external fundraising materials is subject to approval.

We hold a full gambling licence issued by the Gambling Commission and adhere to it's rules and regulations.

We have an Ethical Policy on the Acceptance and Refusal of Donations which states that we will do our utmost to solicit and accept funds with the presumption that donations are given in good faith and that refusal must be only on the strongest grounds. The policy sets out the parameters in which donations can and should be refused and how the Charity goes about making such decisions.

ST RICHARD'S HOSPICE FOUNDATION

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

All staff at the hospice, including fundraisers are NHS compliant and this includes training on safeguarding for vulnerable adults and for safeguarding children, The Fundraising Director is level 2 compliant and all others involved with fundraising are trained to level 1. This can be evidenced against every individual training record. We have published our vulnerable persons policy on our website.

We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us. We actioned 2 requests from this service last year. In addition to our policy we have an agreed operating procedure to protect vulnerable.

Principal financial management policies

St Richard's prepares an annual budget, which is approved by the Governors. Monthly accounts are prepared and discussed with the Senior Management Team to ensure that variances from the budget are monitored and acted upon as appropriate. Copies of the monthly accounts are circulated to Governors. The accounts are discussed at the meetings of the Finance and Business Committee (formerly the Finance and General Purpose Committee) and Council of Governors. Cash balances in excess of St Richard's immediate requirements are placed in interest bearing deposit accounts and with Investment Advisers.

Principal risks and uncertainties

St Richard's has a comprehensive on-going system for risk assessment and management. Every week the Senior Management Team meeting will consider any risk to the charity. These, and any necessary remedial action taken, will be reported to either the Finance and Business Committee or Hospice Services Committee that meet regularly, as appropriate. This presents an opportunity to:

- Talk about principal risks
- Give a summary of plans
- Explain factors affecting future performance

A Risk Register is managed by the Chief Executive and is reviewed at the Finance and Business Committee and Council of Governors meetings, as appropriate.

One of the principal risks and uncertainties facing the Hospice relates to the funding of the charity, particularly the impact of constraints, or reductions, on statutory funding, a significant reduction in grant making, trust or legacy income, and a downturn in income from the trading subsidiary company. The Hospice mitigates these risks by focusing on the following:

- Taking advantage of opportunities to reduce costs where this can be done without compromising other hospice objectives
- To continue to pursue the objective of diversifying income streams so that the impact of a reduction in any one income stream is less significant to the hospice's ability to achieve its goals
- Hold sufficient reserves to allow it time to address financial challenges as they present themselves

Reserves policy

The Governors of St Richard's Hospice Foundation have undertaken a review of its reserve policy in accordance with their duty to do this regularly.

Up to the year ended 31 March 2020, the charity's policy required it to aim to have unrestricted reserves of 6 months of charity expenditure. Governors have agreed to revise this method of determining a target reserve level, with the latest review resulting in a policy that looks to the future to define and quantify how much reserves should be held, considering:

- Potential volatility of budgeted future income and expenditure
- The cost of known capital projects needed in the next 5 years
- Structural budget deficits
- Redundancy costs in the event of an insolvency procedure

Following this review, it was calculated that the amount to be held in free reserves should be £3,818k. The balance sheet at the year ended 31 March 2021 shows a free reserve position of £5,829k which is £2,011k over the new reserve policy.

Governors are committed to remain cautious in view of the uncertain economic environment in which we find ourselves, whilst also recognising the need to invest in clinical services and infrastructure beyond the capital projects included in the new reserve policy. They are also focussed on ensuring that sufficient resource is available to the organisation to enable it to capitalise on a maturing digital strategy. As such, the charity is planning to hold reserves above its current target while global uncertainty remains.

These are unprecedented times, as a result of which our reserve policy will be a matter subject to frequent Governor review for the foreseeable future.

ST RICHARD'S HOSPICE FOUNDATION

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

Investment policy

The majority of the Financial Investments held by the Group are managed by Close Brothers Asset Management (CBAM) which was appointed as adviser in April 2014. The investment target is CPI + 4% which in March 2021 was 4.7% (March 2020: 5.5%). Actual performance of all investment classes i.e. those managed by CBAM and investment property in the year was 15.9% (2020: -2.6%).

The hospice's investments are a means to earning revenue to fund activities which further the Charity's purpose. The time horizon for these investments is 10+ years; the portfolio being low to medium risk. Investments are not made in companies with turnover from the sale or production of tobacco. Income from these investments in the period are included in note 5, total income shown in this note is £104,210 (2020: £116,931) of which £30,526 (2020: £39,656) was interest (note 5). The performance of investments held by the charity are reviewed regularly by St Richard's investment committee which is attended by governors, staff and an investment manager from Close Brothers.

Statement as to disclosure of information to auditors

Insofar as each of the Governors of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Governor has taken all of the steps that he/she should have taken as a Governor in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Statement of Governors' responsibilities

The Governors (who are also directors of St Richard's Hospice Foundation for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Governors support the principles of good governance set out in the Charity Governance Code and uses the Code to evaluate its effectiveness.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The report of the Governors (incorporating the directors' report and the strategic report) was approved by the Board of Governors on 2021 and signed on its behalf by:-

J P Cowpe – Chairman

ST RICHARD'S HOSPICE FOUNDATION

Independent Auditor's Report to the Members of St Richard's Hospice Foundation

Opinion

We have audited the financial statements of St Richard's Hospice Foundation ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Group Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including 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 the charitable company's affairs as at 31 March 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report included within the Trustees' 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 and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement [set out on page 15], 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 charitable company's ability to continue as a going concern, disclosing,

ST RICHARD'S HOSPICE FOUNDATION

as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context were the CQC Regulations, General Data Protection Regulations and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and Income Generation Committee about their own identification and assessment of the risks of irregularities, designing audit procedures over income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

[This report has not yet been signed]

Helen Drew
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
B69 2DG

Date:

ST RICHARD'S HOSPICE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	<u>Notes</u>	<u>Total Unrestricted Fund</u>	<u>Total Restricted Funds</u>	<u>Total Funds 2021</u>	<u>Total Funds 2020</u>
		£	£	£	£
<u>INCOME FROM:</u>					
Donations and Legacies	2	2,849,476	252,870	3,102,346	3,736,648
Charitable Activities	3	2,491,696	1,717,091	4,208,787	2,118,174
Other Trading Activities	4	3,189,315	-	3,189,315	3,901,602
Investments	5	104,210	-	104,210	116,931
Other					
- Share of net income of Joint Venture	17	117,302	-	117,302	107,769
- Coronavirus Business Interruption Loan Interest	6	40,600	-	40,600	-
<u>TOTAL INCOME</u>		<u>8,792,599</u>	<u>1,969,961</u>	<u>10,762,560</u>	<u>9,981,124</u>
<u>EXPENDITURE ON:</u>					
Raising Funds	7	2,716,432	-	2,716,432	3,186,454
Charitable Activities	8	4,152,061	1,887,896	6,039,957	6,039,499
<u>TOTAL EXPENDITURE</u>		<u>6,868,493</u>	<u>1,887,896</u>	<u>8,756,389</u>	<u>9,225,953</u>
<u>NET INCOME AND NET MOVEMENT IN FUNDS BEFORE GAINS/(LOSSES) ON INVESTMENTS</u>					
		1,924,106	82,065	2,006,171	755,171
Net gains/losses on investments	14	434,938	-	434,938	(157,180)
<u>NET INCOME</u>		<u>2,359,044</u>	<u>82,065</u>	<u>2,441,109</u>	<u>597,991</u>
Transfer between funds	28	-	-	-	-
<u>NET MOVEMENT IN FUNDS</u>		<u>2,359,044</u>	<u>82,065</u>	<u>2,441,109</u>	<u>597,991</u>
<u>TOTAL FUNDS BROUGHT FORWARD</u>	28	<u>16,144,613</u>	<u>25,318</u>	<u>16,169,931</u>	<u>15,571,940</u>
<u>TOTAL FUNDS CARRIED FORWARD</u>		<u>18,503,657</u>	<u>107,383</u>	<u>18,611,040</u>	<u>16,169,931</u>

The notes form part of these financial statements

ST RICHARD'S HOSPICE FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS COMPANY NUMBER 01850502 GROUP AND CHARITY BALANCE SHEET AS AT 31 MARCH 2021

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
FIXED ASSETS					
Tangible assets	13	12,674,165	11,016,261	12,674,165	11,016,261
Investments	14	3,661,935	3,161,002	3,662,035	3,161,102
		<u>16,336,100</u>	<u>14,177,263</u>	<u>16,336,200</u>	<u>14,177,363</u>
CURRENT ASSETS					
Stock	18	60,472	74,919	-	-
Debtors	19	2,275,385	1,829,304	2,266,628	1,832,302
Cash at bank		2,789,452	1,566,405	2,691,671	1,441,631
		<u>5,125,309</u>	<u>3,470,628</u>	<u>4,958,299</u>	<u>3,273,933</u>
LIABILITIES					
Creditors: amounts falling due within one year	20	1,083,703	1,477,960	916,793	1,281,365
NET CURRENT ASSETS					
		<u>4,041,606</u>	<u>1,992,668</u>	<u>4,041,506</u>	<u>1,992,568</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>20,377,706</u>	<u>16,169,931</u>	<u>20,377,706</u>	<u>16,169,931</u>
LIABILITIES					
Creditors: amounts falling due after one year	21	1,766,666	-	1,766,666	-
TOTAL NET ASSETS					
		<u>18,611,040</u>	<u>16,169,931</u>	<u>18,611,040</u>	<u>16,169,931</u>
THE FUNDS OF THE CHARITY					
Restricted Funds	28	107,383	25,318	107,383	25,318
Unrestricted Fund					
General Fund	28	5,080,350	4,833,498	5,080,350	4,833,498
- Investment Fair Value Reserve	28	749,142	294,854	749,142	294,854
Designated Funds	28	12,674,165	11,016,261	12,674,165	11,016,261
		<u>18,611,040</u>	<u>16,169,931</u>	<u>18,611,040</u>	<u>16,169,931</u>

The financial statements were approved and authorised for issue by the board on _____ and signed on its behalf by:

J Cowpe Governor

The notes form part of these financial statements

ST RICHARD'S HOSPICE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	<u>2021</u> £	<u>2020</u> £
Cash flows from operating activities:			
Net cash provided by operating activities	1	3,190,239 -----	1,000,898 -----
Cash flows from investing activities:			
Dividends, interest and rents from investments		105,032	120,076
Purchase of property and equipment		(2,124,207)	(1,779,498)
Proceeds from sale of investments		239,739	499,057
Purchase of investments		(305,734)	(574,399)
Joint Venture Distributions		117,978	109,983
		-----	-----
Net cash used in investing activities		(1,967,192) -----	(1,624,781) -----
Change in cash and cash equivalents in the reporting period:			
		1,223,047	(623,883)
Cash and cash equivalents at the beginning of the reporting period:			
		1,566,405	2,190,288
Cash and cash equivalents at the end of the reporting period:			
	2	2,789,452 ----- =====	1,566,405 ----- =====

The notes form part of these financial statements

ST RICHARD'S HOSPICE FOUNDATION

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2021

1. **Reconciliation of net income to net cash flow from operating activities**

	<u>2021</u>	<u>2020</u>
	£	£
Net income for the reporting period (as per the Statement of Financial Activities):	2,441,109	597,991
Adjustments for:		
Depreciation charges	466,303	409,632
Losses on investments/assets	(434,938)	157,180
Dividends, interest and rents from investments	(104,210)	(116,931)
Decrease in stocks	14,447	17,053
Increase in debtors	(447,579)	(568,671)
Increase in creditors	1,372,409	612,413
Income from Joint Venture	(117,302)	(107,769)
	-----	-----
Net cash provided by operating activities:	3,190,239	1,000,898
	=====	=====

2. **Analysis of cash and cash equivalents**

Cash at bank and in hand	2,789,452	1,566,405
	=====	=====

The notes form part of these financial statements

ST RICHARD'S HOSPICE FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

I. ACCOUNTING POLICIES

Charitable company information

St Richard's Hospice Foundation is a private charitable company limited by guarantee, incorporated in England and Wales. The registered office of St Richard's Hospice Foundation and St Richard's Hospice Foundation Trading Company Limited is Wildwood Drive, Worcester, WR5 2QT.

Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Companies Act 2006 and the Charities Act 2011.

The charitable company meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling (£) and are rounded to the nearest £.

Going concern

The group has cash resources and no requirement for external funding to fund normal operating activities. The Governors believe that there are no material uncertainties about the group's ability to continue in operating existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

Since the onset of restrictions following the Covid-19 outbreak, the Financial Viability Group has considered forecasts on a monthly basis, always looking ahead one year. These forecasts have not called into question the group's ability to remain a going concern. Further work to refine and increase the length of the forecast will be facilitated by the budgeting process for the 2021/22 financial year being brought forward.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary on a line by line basis. All intergroup transactions are eliminated on consolidation. Investments in joint ventures are included in the group financial statements using the "equity method".

No separate Charity SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006. The Charity has taken advantage of the exemptions in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about its own financial instruments within the consolidated financial statements

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that income will be received and the amount can be measured reliably.

Income from voluntary sources is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Income from gift aid tax reclaims is recognised for all donations made prior to the year end, where valid gift aid declarations are held.

Recognition of legacy income is dependent on the type of legacy, with pecuniary legacies recognised when notification is received, and residuary legacies recognised when amounts are distributed or when a statement of assets and liabilities of the estate is received. Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will. The charity operates a cut-off period being a practical mechanism to allow preparation of the accounts. Should a notification be received before the year end but not be quantifiable two months after the year end then the income, when measurable and receipt is probable, will be recognised in the following period. Where legacies have been notified to the charity, but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material in note 22.

Income received in advance of an event or provision of other specific service is deferred until the criteria for income recognition are met.

Grants from government bodies and other sources are received for specific projects/costs and are recognised in accordance with their individual terms and conditions. Income is recognised when the charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

Expenditure

The cost of raising funds includes costs of generating voluntary income and costs of fundraising trading, shops and investment manager's fees. Charitable activities costs include expenditure on delivering palliative care and education. Governance costs include costs of meeting the charity's statutory and constitutional objectives.

Support costs are allocated to all cost centres on a basis calculated in proportion to the estimated usage of facilities. Expenditure is accounted for on an accrual basis.

ST RICHARD'S HOSPICE FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

I. **ACCOUNTING POLICIES** (continued)

Gifts in kind

Gifts received in kind for resale are recognised when the gift is sold using the sales value.

Donated services or facilities are included in the Statement of Financial Activities where the benefit to the charity is reasonably quantifiable and measurable. The contribution of volunteers is not included in the Statement of Financial Activities, but is disclosed in the Governors' Report in accordance with the SORP.

Donated assets given for use by the charity are recognised at their market value as income and within the relevant fixed asset category on the balance sheet when receivable. During the year to 31 March 2021, significant quantities of Personal Protective Equipment (PPE) were donated to the Hospice by the NHS and other sources. It was not possible to quantify the value of these donations under the difficult conditions created by the Covid 19 pandemic.

Liabilities

Liabilities are recognised in the accounts as soon as a present obligation arises from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Fund accounting

General funds are expendable at the discretion of the Governor's in furtherance of the charity's objectives and which have not been designated for other purposes. It is the policy of the hospice to look to the future to define and quantify how much reserves should be held, considering:

- Potential volatility of budgeted future income and expenditure
- The cost of known capital projects needed in the next 5 years
- Structural budget deficits
- Redundancy costs

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds contain income which has been received for specific purposes, less the related expenditure against these. The aim and use of each material restricted fund is set out in the notes to the financial statements.

Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities over the term of the lease.

Pensions

The pension costs represent amounts payable by the group during the year (see note 23).

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Tangible fixed assets

Tangible fixed assets are initially included at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property (including commercial property)	- 2% on cost of buildings
Freehold property – solar panels	- 5% on cost
Leasehold land	- Over life of lease (125 years)
Assets under construction	- 0%
Shop refurbishment	- 20% - 33% on cost
Medical equipment	- 20% - 50% on cost
Furniture and fittings	- 10% - 50% on cost
Motor vehicles	- 20% - 33% on cost
Office equipment	- 20% - 50% on cost

Items of medical equipment, office equipment and furniture and fittings, having an initial cost of less than £1,000, are written off to revenue in the year of acquisition. Freehold land is not depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

ACCOUNTING POLICIES (continued)

Investments

Listed fixed asset investments are included at fair value (quoted market price in an active market). Gains or losses on investments are included in the Statement of Financial Activities and Income and Expenditure Account.

The Charity owns investment properties that are treated as own use, depreciated, tangible fixed asset in the group and charity financial statements in accordance with FRS 102 as it is let by the parent to its wholly owned subsidiary. The investment in the subsidiary and joint venture are included at cost.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments include cash at bank, trade debtors, legacies receivable, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure. Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Significant estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Useful economic lives of tangible assets

The annual depreciation and amortisation charges for the tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets.

Impairment of debtors

The group makes an estimate of trade debtors and other debtors. When assessing the impairment of trade debtors and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Accrued legacy income

For non-pecuniary legacies, an estimate is made of the amount due to the charity based on the share of the estate as stated in the will, the value of the estate (from probate or a statement of assets and liabilities) and external factors including the volatility of the property market, and the stock market. An allowance is also made for expected costs.

Taxation

The charity is exempt from Corporation Tax on its charitable activities. The charity and its subsidiary company are registered for Value Added Tax. Irrecoverable VAT is allocated to the areas in which it is incurred.

ST RICHARD'S HOSPICE FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

2. DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Fund	Total Funds 2021	Total Funds 2020
	£	£	£	£
Donations	325,163	2,830	327,993	299,921
Donations in memory	375,613	-	375,613	402,067
Legacies	1,566,445	-	1,566,445	1,136,009
Collections	12,365	-	12,365	34,765
Regular giving	170,713	-	170,713	138,720
Corporate including payroll giving	109,424	-	109,424	181,375
Grants and Capital Appeal	252,769	250,040	502,809	1,543,791
Job retention scheme income (charity)	36,984	-	36,984	-
	<u>2,849,476</u>	<u>252,870</u>	<u>3,102,346</u>	<u>3,736,648</u>

3. CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
NHS Grant	2,180,902	-	2,180,902	2,037,283
NHS Covid 19 additional grant	210,412	-	210,412	-
Government Covid support grant	-	1,717,091	1,717,091	-
Education	100,382	-	100,382	80,891
	<u>2,491,696</u>	<u>1,717,091</u>	<u>4,208,787</u>	<u>2,118,174</u>

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Fund	Total Funds 2021	Total Funds 2020
	£	£	£	£
SRH Events and campaigns	570,123	-	570,123	761,410
Assisted events fundraising	34,034	-	34,034	117,165
Raffles	165,594	-	165,594	45,189
Other	30,146	-	30,146	26,351
Chaplain	2,250	-	2,250	4,896
Trading company income	850,761	-	850,761	2,082,306
Gift aided sales	220,725	-	220,725	864,285
Government Covid-19 Retail support grants	554,662	-	554,662	-
Business Interruption insurance receipts	400,000	-	400,000	-
Job Retention Scheme	361,020	-	361,020	-
	<u>3,189,315</u>	<u>-</u>	<u>3,189,315</u>	<u>3,901,602</u>

5. UK INVESTMENT INCOME

	Unrestricted Funds	Restricted Fund	Total Funds 2021	Total Funds 2020
	£	£	£	£
Interest	30,526	-	30,526	39,656
Dividends	66,418	-	66,418	69,085
Rent received	7,266	-	7,266	8,190
	<u>104,210</u>	<u>-</u>	<u>104,210</u>	<u>116,931</u>

ST RICHARD'S HOSPICE FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

6. OTHER INCOME

Nominal interest of £40,600 being the amount paid by the Government in the form of a Business Interruption Payment, on the £2,000,000 Coronavirus Business Interruption Loan taken out with Barclays Bank has been recorded as both Other Income and Other Expenditure. The loan bears interest at the rate of 2.84% above Base Rate.

7. COST OF RAISING FUNDS

	Unrestricted Funds	Restricted Fund	Total Funds 2021	Total Funds 2020
	£	£	£	£
Shops and commercial activities	1,743,994	-	1,743,994	2,179,285
Support costs re above (Note 9)	100,586	-	100,586	97,857
Fundraising	652,717	-	652,717	679,314
Support costs re above (Note 9)	189,744	-	189,744	200,903
Costs of managing investments	29,391	-	29,391	29,095
	-----	-----	-----	-----
	<u>2,716,432</u>	<u>-</u>	<u>2,716,432</u>	<u>3,186,454</u>
	=====	=====	=====	=====

8. CHARITABLE ACTIVITIES EXPENDITURE

	Unrestricted Funds	Restricted Fund	Total Funds 2021	Total Funds 2020
	£	£	£	£
Patient and Family Service costs	2,447,869	1,887,896	4,365,765	4,366,814
Support costs re above (Note 9)	1,402,372	-	1,402,372	1,373,367
Education and Study Centre	155,080	-	155,080	188,580
Support Costs re above (Note 9)	116,740	-	116,740	110,738
	-----	-----	-----	-----
	<u>4,152,061</u>	<u>1,887,896</u>	<u>6,039,957</u>	<u>6,039,499</u>
	=====	=====	=====	=====

9. SUPPORT COSTS ALLOCATED TO ACTIVITIES

	Raising Funds Shops and Commercial Activities	Raising Funds Fundraising	Charitable Activities Education and Study Centre	Charitable Activities Patient and Family Services	Total Funds 2021	Total Funds 2020
	£	£	£	£	£	£
Unrestricted						
Property related costs	7,536	9,043	15,072	119,070	150,721	208,993
Telephone and fax	170	413	243	1,605	2,431	11,263
Postage, printing and stationery	1,593	3,984	3,984	6,374	15,935	27,814
Insurance	-	2,059	2,059	37,054	41,172	28,281
Depreciation	-	6,943	34,714	305,486	347,143	251,064
Miscellaneous	3,763	1,188	198	27,599	32,748	12,150
Human resources	23,991	7,576	1,263	93,439	126,269	142,160
Computer expenses	25,791	25,791	25,792	180,536	257,910	175,722
Salaries and other costs	27,097	77,842	31,066	503,291	639,296	700,753
Catering supplies	-	-	1,789	33,998	35,787	78,344
Transport and minibus	-	-	-	918	918	1,469
Governance costs	2,931	926	154	11,415	15,426	15,276
Communications and Marketing	-	51,543	-	51,543	103,086	129,576
CBILS loan interest	7,714	2,436	406	30,044	40,600	-
	-----	-----	-----	-----	-----	-----
Total	<u>100,586</u>	<u>189,744</u>	<u>116,740</u>	<u>1,402,372</u>	<u>1,809,442</u>	<u>1,782,865</u>
	=====	=====	=====	=====	=====	=====

Support costs are allocated to all cost centres at various percentages based on the estimated usage of facilities.

ST RICHARD'S HOSPICE FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. STAFF COSTS	<u>2021</u>	<u>2020</u>
	£	£
Wages and salaries	5,599,606	5,678,230
Social Security costs	471,539	467,530
Pension Costs	434,790	417,785
	-----	-----
	6,505,935	6,563,545
	=====	=====

The wages and salaries cost above includes salaried employees' costs of £5,528,665 (2020 - £5,512,572) with the remaining £70,940 (2020 - £165,658) being staff paid via invoice, due to them being agency. Staff can receive a benefit by being a member of a private health insurer and the cost of this for the year ended 31 March 2021 was £22,336 (2020 - £22,660). There were £3,819 of redundancy costs in the year (2020 - £1,980).

The average monthly number of salaried employees during the year by the group was as follows:

	<u>2021</u>	<u>2020</u>
Patient and Family Services staff	136	146
Education staff	5	6
Fundraising staff	15	15
Shops and commercial	51	57
Support staff	36	35
	-----	-----
	243	259
	===	===

The number of employees whose emoluments as defined for tax purposes amounted to over £60,000 in the year was as follows:

	<u>2021</u>	<u>2020</u>
£60,000 - £70,000	2	3
£70,000 - £80,000	1	-
£90,000 - £100,000	1	1

The total amount of employee benefits (inclusive of national insurance and pension contributions) received by key management personnel was £419,067 (2020 - £414,393).

No remuneration has been paid and no expenses have been reimbursed/accrued regarding any Governors other than:

There were expenses for travel and subsistence repaid to one Governor of £64 (2020: £311).

R G Shaw (as Richard G Shaw Ltd), a practising chartered accountant, accounting and taxation as follows:

	<u>2021</u>	<u>2020</u>
	£	£
St Richard's Hospice Trading Company Limited – R G Shaw	670	750

£680 (2020 - £680) is included in accruals in respect of amounts owed to Richard G Shaw Ltd at the year end.

The Governors are satisfied that the payment of these fees complies with the requirements of the Charities Act 2011.

ST RICHARD'S HOSPICE FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

11. NET INCOME	<u>2021</u>	<u>2020</u>
	£	£
The net income is stated after charging:		
Depreciation	466,303	409,632
Operating lease charges:		
- buildings	459,601	434,977
- other	804	4,884
Auditor's remuneration:		
- Charity audit	11,500	11,500
- Subsidiary audit	3,000	3,000
Pension costs	434,790	417,785
	=====	=====
Governors emoluments and other benefits etc	849	1,061
	=====	=====

12. **TAXATION**

The company is a registered charity and is not liable to corporation tax. No liability to UK corporation tax arose on ordinary activities of the subsidiary company for the year ended 31 March 2021 nor for the year ended 31 March 2020 as all profits are gift aided to the parent charity.

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ST RICHARD'S HOSPICE FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

13. **TANGIBLE FIXED ASSETS - GROUP AND CHARITY**

	<u>Commercial Properties</u>	<u>Freehold Land and Buildings</u>	<u>Long Leasehold Land</u>	<u>Refurbishment of Short Leasehold Shops and Warehouse</u>	<u>Medical Equipment</u>
	£	£	£	£	£
COST:					
At 1 April 2020	524,202	11,076,123	100,000	956,843	78,513
Additions	-	10,650	-	-	5,985
Disposals	-	(24,237)	-	-	-
	-----	-----	-----	-----	-----
At 31 March 2021	524,202	11,062,536	100,000	956,843	84,498
	=====	=====	=====	=====	=====
DEPRECIATION:					
At 1 April 2020	36,778	1,680,205	12,267	725,540	50,379
Charge for year	10,484	223,635	800	107,844	11,958
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31 March 2021	47,262	1,903,840	13,067	833,384	62,337
	=====	=====	=====	=====	=====
NET BOOK VALUE:					
At 31 March 2021	476,940	9,158,696	86,933	123,459	22,161
	=====	=====	=====	=====	=====
At 31 March 2020	487,424	9,395,918	87,733	231,303	28,134
	=====	=====	=====	=====	=====
	<u>Build 2021</u>	<u>Furniture and Fittings</u>	<u>Motor Vehicles</u>	<u>Office Equipment</u>	<u>Totals</u>
	£	£	£	£	£
COST:					
At 1 April 2020	347,602	381,084	39,643	316,522	13,820,532
Additions	2,106,536	-	-	25,272	2,148,443
Reclassification	-	-	-	-	(24,237)
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31 March 2021	2,454,138	381,084	39,643	341,794	15,944,738
	=====	=====	=====	=====	=====
DEPRECIATION:					
At 1 April 2021	-	113,862	30,684	154,556	2,804,271
Charge for year	-	37,070	6,137	68,374	466,302
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31 March 2021	-	150,932	36,821	222,930	3,270,573
	=====	=====	=====	=====	=====
NET BOOK VALUE					
At 31 March 2021	2,454,138	230,152	2,822	118,864	12,674,165
	=====	=====	=====	=====	=====
At 31 March 2020	347,602	267,222	8,959	161,966	11,016,261
	=====	=====	=====	=====	=====

The value of intangible fixed assets was immaterial, as such has not been split from the figure within Office Equipment. The net book value of these items was £25,192.

ST RICHARD'S HOSPICE FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

14. FIXED ASSETS INVESTMENTS

	Group		Charity	
	2021	2020	2021	2020
Valuation	£	£	£	£
At 1 April 2020	3,161,002	3,242,840	3,161,102	3,242,940
Additions at cost	305,734	574,399	305,734	574,399
Disposal proceeds	(239,739)	(499,057)	(239,739)	(499,057)
Net gain/(loss) on investments	434,938	(157,180)	434,938	(157,180)
	-----	-----	-----	-----
At 31 March 2021	3,661,935	3,161,002	3,662,035	3,161,102
	=====	=====	=====	=====
Fixed asset investments by type:				
Cash on interest deposit	414,276	197,979	414,276	197,979
British Government Stocks	116,829	117,963	116,829	117,963
Fixed Interest	756,853	813,875	756,853	813,875
Hedge Funds	-	-	-	-
Overseas Equities	1,198,980	913,069	1,198,980	913,069
UK Equities	570,726	537,366	570,726	537,366
Infrastructure	476,087	483,685	476,087	483,685
Absolute Return	-	-	-	-
Multi Asset/Property Funds	128,084	96,965	128,084	96,965
Unlisted shares in joint venture/subsidiary at cost (see notes 16 and 17)	100	100	200	200
	-----	-----	-----	-----
	3,661,935	3,161,002	3,662,035	3,161,102
	=====	=====	=====	=====
Valuation at 31 March is represented by:				
Cost	2,912,793	2,866,148	2,912,893	2,866,248
Revaluation at 31 March	749,142	294,854	749,142	294,854
	-----	-----	-----	-----
	3,661,935	3,161,002	3,662,035	3,161,102
	=====	=====	=====	=====

The charity manages its investments risk by retaining the services of expert advisers and operating a comprehensive investment policy as detailed in the report of the governors.

15. INVESTMENT PROPERTY

	Group		Charity	
	2021	2020	2021	2020
Valuation	£	£	£	£
At 1 April 2020	-	-	-	582,681
Additions at cost	-	-	-	-
Disposal proceeds	-	-	-	-
Change of accounting treatment	-	-	-	(582,681)
Revaluation	-	-	-	-
	-----	-----	-----	-----
At 31 March 2021	-	-	-	-
	=====	=====	=====	=====

2019 was the last year when accounting for investment properties, owned by St Richard's Hospice Foundation and used for trading by St Richard's Hospice Trading Company Limited, could be treated as an investment in the charity's account and a fixed asset in the group accounts. The accounting treatment of this class of asset is now to depreciate it as a fixed asset in both group and charity accounts.

ST RICHARD'S HOSPICE FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

16. **SUBSIDIARY COMPANIES**

The charity has the following subsidiary companies:

Subsidiary undertakings whose results have been consolidated in these accounts are:

St Richard's Hospice Trading Company Limited (Company No.: 04805373)

Nature of business: Shop and commercial retailing.

Class of shares:	% holding	2021	2020
Ordinary	100	£	£
Aggregate assets		480,534	346,719
Aggregate liabilities		(480,434)	(346,619)
Aggregate capital and reserves		100	100
		=====	=====

The company had income of £2,134,877 (2020 - £2,089,057) and expenditure of £1,627,870 (2020 - £1,571,595) leaving a profit of £507,007 (2020 - £517,462) which was distributed as a gift aid payment to this charity.

17. **INVESTMENT IN JOINT VENTURES**

Worcestershire Hospices Lottery Limited (Company no. 03689508)

Nature of business: Fundraising

Class of shares	% holding
Ordinary 'B'	33.33

The charity's interest in the 12 months to 31 March 2021 of Worcestershire Hospices Lottery Limited are as follows:

	2021	2020
	£	£
Turnover	169,822	184,559
Other income	342	-
Expenditure excluding audit fee	(52,465)	(75,599)
Audit fee	(1,200)	(1,191)
	-----	-----
Profit for the year	116,499	107,769
Prior year adjustment	803	-
Gift aid distribution to charity	(117,302)	(107,769)
	-----	-----
Retained profit for the year	-	-
	=====	=====
Fixed assets	-	-
Current assets	40,041	46,106
Current liabilities	(39,941)	(46,006)
	=====	=====
Total assets less current liabilities	100	100
	=====	=====
Share capital	100	100
	=====	=====

At 31 March 2021 St Richard's Hospice Foundation was owed £7,745 (2020- £8,421) and £1,165 (2020 - £2,108) relating to trading balances by Worcestershire Hospices Lottery Limited. The carrying value of this company in the Group Balance sheet is £100 and forms part of the investments balance.

ST RICHARD'S HOSPICE FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

18.	STOCK	Group		Charity	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		£	£	£	£
	Goods for resale	60,472	74,919	-	-
		=====	=====	=====	=====
19.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group		Charity	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		£	£	£	£
	Unrestricted:				
	Trade debtors	19,934	53,734	18,279	27,806
	Other debtors	442,288	76,500	242,288	76,500
	VAT	162,326	137,379	145,930	118,581
	Prepayments and accrued income	1,640,697	1,550,875	1,536,465	1,448,577
	Amounts due from joint venture	7,745	8,421	7,745	8,421
	Amounts due from subsidiary undertakings	-	-	313,526	150,022
		-----	-----	-----	-----
		2,272,990	1,826,909	2,264,233	1,829,907
		=====	=====	=====	=====
	Restricted:				
	Prepayments and accrued income	2,395	2,395	2,395	2,395
		-----	-----	-----	-----
		2,275,385	1,829,304	2,266,628	1,832,302
		=====	=====	=====	=====
20.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group		Charity	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		£	£	£	£
	Unrestricted:				
	Trade creditors	157,313	368,490	99,453	289,315
	Other creditors	144,520	148,681	144,520	148,681
	Social Security and other tax	112,504	112,224	112,504	112,224
	Accruals and deferred income	425,483	839,281	316,433	721,861
	Coronavirus business interruption loan	233,334	-	233,334	-
		-----	-----	-----	-----
		1,073,154	1,468,676	906,244	1,272,081
		=====	=====	=====	=====
	Restricted:				
	Other creditors	10,549	9,284	10,549	9,284
		-----	-----	-----	-----
		1,083,703	1,477,960	916,793	1,281,365
		=====	=====	=====	=====

20. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR** (Continued)

Included in accruals and deferred income is deferred income of £87,793 (2020- £123,799) for the group and the charity and this is analysed below:

GROUP AND CHARITY

	Education and training income inc. room rental	For events post year end	Grants and Donations	NHS Grant	Total For Group & Charity
	£	£	£	£	£
Deferred income brought forward	4,272	59,527	60,000	-	123,799
Released in year	(4,272)	(152,518)	(60,000)	(2,185,130)	(2,401,920)
Deferred during year	-	107,482	20,000	2,238,432	2,365,914
	-----	-----	-----	-----	-----
Deferred income carried forward	-	14,491	20,000	53,302	87,793
	=====	=====	=====	=====	=====

The amounts have only been deferred when the group does not have unconditional entitlement to the income or when the income relates to delivery of a service and is therefore only recognised to the extent that the charity has provided the service.

ST RICHARD'S HOSPICE FOUNDATION
FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

21. **CREDITORS: AMOUNTS FALLING AFTER ONE YEAR**

	Group 2021	Charity 2020	2021	2020
	£	£	£	£
Unrestricted:				
Coronavirus business interruption loan	1,766,666	0	1,766,666	0
	-----	-----	-----	-----
	1,766,666	0	1,766,666	
	=====	=====	=====	=====

22. **CONTINGENT ASSETS**

As at 31 March 2021 the charity had been notified of 10 legacies, the values of which are unknown, or cannot be reliably measured. As at the approval date of the financial statements no further information had been received and therefore this legacy income has not been accrued.

23. **PENSION COMMITMENTS**

The company contributes to a defined benefit pension scheme operated by the NHS. Net NHS pension costs of £271,793 (2020 - £268,236) were charged in the Statement of Financial Activities during the year. The company also contributed £147,498 (2020 - £126,527) to some employees' occupational pension schemes, and £15,498 (2020 - £23,022) to employees' private pension schemes. Included in other creditors at 31 March 2021 was £36,682 (2020 - £37,902) in relation to the NHS scheme and £4,999 (2020 - £20,916) in relation to the work place pension scheme. The cost and liability is allocated between activities by reference to the area the employee is working in. The cost and liability is allocated against unrestricted funds unless a restricted fund allowed the expenditure.

The NHS scheme is a defined benefit scheme which is unfunded. This is a multi-employer pension scheme based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The company accounts for the scheme as a defined contribution scheme and is not required to account for any share of the assets or liabilities of the scheme in accordance with FRS 102. This is deemed appropriate as the company has no ongoing liability once the contributions to the scheme are made.

24. **RELATED PARTY TRANSACTIONS**

The Charity owned 33.33% of Worcestershire Hospices Lottery Limited, ownership and control is split equally between St Richard's Hospice, Acorns Children's Hospice Trading Limited and The Primrose Hospice Limited. D Corns (Senior Manager) and J Patel (Chief Executive) are also directors of Worcestershire Hospices Lottery Limited. St Richard's Hospice received £117,302 (2020 - £107,769) gift aid from Worcestershire Hospices Lottery Limited and charged £0 (2020 - £2,614) for rent, which is considered by the Governors to be a market value. At 31 March 2021 Worcestershire Hospices Lottery Limited owed St Richard's Hospice £7,745 (2020 - £8,421).

R Shaw produces the statutory accounts for St Richard's Hospice Trading Company Limited an accrual of £680 is shown in note 9 for completion of this service.

St Richard's Hospice Foundation was charged £168,305 (2020-£650,200) by St Richard's Hospice Trading Company Limited for administering the sale of goods gifted to the hospice and for which a gift aid claim was made. St Richard's Trading Company Limited owed £313,526 to St Richard's Hospice Foundation as at 31st March 2021 (£150,022 – 2020).

25. **CAPITAL COMMITMENT**

There was a capital commitment of £92,714 at 31 March 2021 (2020 £2,080,458). This commitment related to the Build 2020 project and is to be funded by the unrestricted reserves held above the stated reserves policy as noted on page 11.

ST RICHARD'S HOSPICE FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

26. **OPERATING LEASE COMMITMENTS**

The total future minimum lease payments under non-cancellable operating leases are shown below:

	<u>2021</u>		<u>2020</u>	
	<u>Land and Buildings</u>	<u>Other</u>	<u>Land and Buildings</u>	<u>Other</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
GROUP				
Within one year	330,058	3,792	316,313	3,648
Between two and five years	498,981	4,779	692,867	7,767
Over five years	181,833	-	245,000	-
	<u>1,010,872</u>	<u>8,571</u>	<u>1,254,180</u>	<u>11,415</u>
CHARITY				
Within one year	-	2,988	-	2,988
Between two and five years	-	4,779	-	7,767
Over five years	-	-	-	-
	<u>-</u>	<u>7,767</u>	<u>-</u>	<u>10,755</u>

The group has off balance sheet arrangements in the form of operating leases, which means that neither the liability under the lease nor the related assets appears on the Balance Sheet. The group uses operating leases so it has the benefit of leasing over a defined period and the risks are retained by the lessor.

ST RICHARD'S HOSPICE FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

27. **PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES**

	<u>Notes</u>	<u>Total Unrestricted Fund</u>	<u>Total Restricted Funds</u>	<u>Total Funds 2020</u>
		£	£	£
<u>INCOME FROM:</u>				
Donations and Legacies	2	2,660,264	1,076,384	3,736,648
Charitable Activities	3	2,118,174	-	2,118,174
Other Trading Activities	4	3,901,602	-	3,901,602
Investments:	5	116,931	-	116,931
Other				
- Share of net income of Joint Venture	17	107,769	-	107,769
		<u>8,904,740</u>	<u>1,076,384</u>	<u>9,981,124</u>
<u>TOTAL INCOME</u>				
<u>EXPENDITURE ON:</u>				
Raising Funds	7	3,156,229	30,225	3,186,454
Charitable Activities	8	5,930,885	108,614	6,039,499
		<u>9,087,114</u>	<u>138,839</u>	<u>9,225,953</u>
<u>TOTAL EXPENDITURE</u>				
<u>NET (EXPENDITURE)/INCOME AND NET MOVEMENT IN FUNDS BEFORE (LOSSES)/GAINS ON INVESTMENTS</u>				
		(182,374)	937,545	755,171
Net (losses)/gains on investments	14	(157,180)	-	(157,180)
		<u>(339,554)</u>	<u>937,545</u>	<u>597,991</u>
<u>NET (EXPENDITURE)/INCOME</u>				
Transfers between funds for purchased items		990,563	(990,563)	-
		<u>651,009</u>	<u>(53,018)</u>	<u>597,991</u>
<u>NET MOVEMENT IN FUNDS</u>				
<u>RECONCILIATION OF FUNDS:</u>				
<u>TOTAL FUNDS BROUGHT FORWARD</u>		<u>15,493,604</u>	<u>78,336</u>	<u>15,571,940</u>
<u>TOTAL FUNDS CARRIED FORWARD</u>	28	<u>16,144,613</u>	<u>25,318</u>	<u>16,169,931</u>

ST RICHARD'S HOSPICE FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

28. RESTRICTED/ UNRESTRICTED FUNDS

The General Fund represents the free funds of the Hospice which are not designated for particular purposes. The investment fair value reserve represents the excess of fair value over the historic cost of the investments.

The designated fixed asset fund has been set up to assist in identifying those funds that are not free funds. It represents the net book value of tangible fixed assets excluding those tangible fixed assets funded from restricted funds.

The transfer from other funds to the designated fixed asset fund of £2,124,207 (2020 - £1,779,498) for the group and charity represents unrestricted tangible fixed asset additions in the year.

When funds subject to a restriction are used to purchase a fixed asset, the restriction is deemed satisfied. This treatment applies to all funds, where they have been used to purchase an asset.

Restricted other funds represent amounts held from many smaller grant making trusts and others for various restricted purposes which, due to their individual size, are not to be disclosed separately in these accounts.

GROUP

	At 1 April 2020 £	Income £	Expenditure £	Investment Gains/(Losses) £	Transfers £	At 31 March 2021 £
General fund	4,833,498	8,792,601	(6,402,192)	9,925	(2,153,482)	5,080,350
Investment fair value reserve	294,854	-	-	425,013	29,275	749,142
Designated funds						
Fixed asset fund	11,016,261	-	(466,303)	-	2,124,207	12,674,165
Total unrestricted funds	16,144,613	8,792,601	(6,868,495)	434,938	-	18,503,657
Restricted funds						
Other Funds	25,318	1,969,960	(1,887,895)	-	-	107,383
	25,318	1,969,960	(1,887,895)	-	-	107,383
Total funds	16,169,931	10,762,561	(8,756,390)	434,938	-	18,611,040

Should St Richard's ever want to sell Wildwood Drive, it would need permission from the Big Lottery as this was a condition of funding, registered at Land Registry.

ST RICHARD'S HOSPICE FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

28. **RESTRICTED/ UNRESTRICTED FUNDS**

ASSETS AND LIABILITIES REPRESENTING UNRESTRICTED FUNDS

GROUP	General Fund	General Fund Re: investment Fair Value Reserve	Designated Fixed Asset Fund	Total Unrestricted Funds 2021	Total Unrestricted Funds 2020
	£	£	£	£	£
FIXED ASSETS					
Tangible assets	-	-	12,674,165	12,674,165	11,016,261
Investments	2,912,693	749,142	-	3,661,835	3,160,902
Investments in joint venture	100	-	-	100	100
CURRENT ASSETS					
Stock	60,472	-	-	60,472	74,919
Debtors (Note 19)	2,272,990	-	-	2,272,990	1,826,909
Cash at bank	2,673,915	-	-	2,673,915	1,534,198
CREDITORS: Amounts falling due within one year (Note 20)	(1,073,154)	-	-	(1,073,154)	(1,468,676)
CREDITORS: Amounts falling due Over one year. (Note 21)	(1,766,666)	-	-	(1,766,666)	-
	-----	-----	-----	-----	-----
Total Funds	5,080,350	749,142	12,674,165	18,503,657	16,144,613
	=====	=====	=====	=====	=====

ASSETS AND LIABILITIES REPRESENTING RESTRICTED FUNDS

GROUP	Total Restricted Funds 2021	Total Restricted Funds 2020
	£	£
FIXED ASSETS		
Tangible assets	-	-
Investments	-	-
Investments in joint venture	-	-
CURRENT ASSETS		
Stock	-	-
Debtors (Note 19)	2,395	2,395
Cash at bank	115,537	32,207
CREDITORS: Amounts falling due within one year (Note 20)	(10,549)	(9,284)
	-----	-----
Total Funds	107,383	25,318
	=====	=====

ST RICHARD'S HOSPICE FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (Continued)

29. COMPARATIVE UNRESTRICTED FUNDS/RESTRICTED FUNDS

GROUP

	At 1 April 2019 £	Income £	Expenditure £	Investment Gains £	Transfers £	At 31 March 2020 £
General fund	5,395,175	8,904,740	(8,677,482)	(18,799)	(770,136)	4,833,498
Investment fair value reserve	452,034			(138,381)	(18,799)	294,854
Designated funds						
Fixed asset fund	9,646,395		(409,632)		1,799,498	11,016,261
Total unrestricted funds	15,493,604	8,904,740	(9,087,114)	(157,180)	990,563	16,144,613
Restricted funds						
Hospice Fund	-	-	-	-	-	-
Community Care Fund	-	-	-	-	-	-
IPU Extension Fund	-	-	-	-	-	-
2020 Capital Appeal	50,000	922,110			(972,110)	-
Other Funds	28,366	154,274	(138,839)		(18,453)	25,318
	78,336	1,076,384	(138,839)	-	(990,563)	25,318
Total funds	15,571,940	9,981,124	(9,225,953)	(157,180)	-	16,169,931

COMPARATIVE ASSETS AND LIABILITIES REPRESENTING UNRESTRICTED FUNDS

GROUP

	General Fund £	General Fund Re: investment Fair Value Reserve £	Designated Fixed Asset Fund £	Total Unrestricted Funds 2020 £
FIXED ASSETS				
Tangible assets			11,016,261	11,016,261
Investments	2,866,048	294,854	-	3,160,902
Investments in joint venture	100	-	-	100
CURRENT ASSETS				
Stock	74,919	-	-	74,919
Debtors (Note 19)	1,826,909	-	-	1,826,909
Cash at bank	1,534,198	-	-	1,534,198
CREDITORS: Amounts falling due within one year (Note 20)	(1,468,676)	-	-	(1,468,676)
Total Funds	4,833,498	294,854	11,016,261	16,144,613

30. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

31. CONTROLLING PARTY

The charity is under the control of its Governors.

32. AGENCY NOTE

St Richard's Hospice Trading Company Limited acts as an agent to St Richard's Hospice on selling second hand goods for which Gift Aid is claimed. Total Gift Aid sales were £220,725 (£864,285 - 2020) and the management charge for this service was £168,305 (£650,200 - 2020). £93,761 (£94,316 - 2020) is held in other creditors on behalf of the Worcester Acute Trust to pay for the training of specialty palliative registrars. £9,500 (£7,229 - 2020) is held in other creditors being refunds made after the year end for events cancelled due to restrictions introduced by the government to combat the COVID-19 outbreak.