

Thames hospice

ANNUAL REPORT AND ACCOUNTS

for the year ended 31 March 2020

Registered Company No: 5316964

Registered Charity No. 1108298



**The Queen's Award
for Voluntary Service**

The MBE for volunteer groups

THAMES HOSPICE
ANNUAL REPORT
for the year ended 31 March 2020

Index

Trustees' report	1-28
Independent Auditors' report	29-31
Consolidated Statement of Financial Activities	32
Balance sheets	33
Cash flow statement	34
Notes to the financial statements	35-52
Administrative details	53-54



Trustees' Report

The Trustees are pleased to present their annual report together with the Financial Statements for the year ended 31 March 2020, which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and 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 (FRS102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020



Who we are

Thames Hospice is the local charity supporting people living with terminal illness in East Berkshire and South Buckinghamshire.

A holistic approach

We provide expert nursing and medical care, with emotional and practical support for adults who have illnesses from which they are not expected to recover. We also offer a wide range of therapies to support our patients' physical, psychological, social and spiritual needs. Our care and support extends to family, friends and carers.

Always here

Our vital services are free of charge for all those who access them, and are available wherever they are needed: in our Hospice and our Day Therapies Unit both at Pine Lodge and in our patients' own homes, 365 days a year.

Expert care

Our highly qualified and trained teams of nurses, doctors, consultants, therapists, healthcare assistants and counsellors, provide expert clinical and complementary care to our patients.

Our services are free to those who need them

All our services are free to our patients and their families, friends and carers. We are grateful for the generous support of our fundraisers and donors who this year helped us to generate over 60% of the income we need to run our Hospice.

THAMES HOSPICE
TRUSTEES' REPORT
for the year ended 31 March 2020



Our Vision

Quality of life to the end of life for everyone

Our Mission

To provide and support the best palliative and end of life care to our community, giving dignity and comfort to those facing life limiting illnesses.

Our Values

- | | |
|----------------------|---|
| Compassion | We treat everyone with kindness and compassion, providing a secure and caring environment. |
| Excellence | We are committed to delivering and demonstrating excellence and quality in everything we do. |
| Collaboration | We recognise the best quality of care is achieved when we work as a team, leveraging the skills and experience of individuals as well as our healthcare and community partners. |
| Integrity | We always act with integrity and strive to demonstrate the highest ethical standards of behaviour. |
| Respect | We believe in treating everyone with dignity and respect. |
| Ambition | Our desire and determination to succeed in meeting the growing needs of our local community. |
| Commitment | We are dedicated to providing the best palliative and end of life care to all who need us now and in the future. |

Introduction by our Chief Executive and Chair of Trustees



Debbie Raven
Chief Executive



Jonathan Jones
Chair of Trustees

On behalf of everyone at Thames Hospice, we're delighted to introduce the annual report for 2019/20.

This really has been a year of mixed fortunes. Building work on our new hospice at Bray Lake has progressed spectacularly for most of the year and right up until Quarter 4 we were on track to move in July. This is when the impact of Covid-19 struck which has resulted in a delay of a few months but nevertheless, we're delighted with the progress our contractors have made. We will move in 2020 albeit a bit later than planned but we look forward to Christmas in our new home!

Our fundraising in the year has been excellent and we have been overwhelmed by the support and generosity of our community. With an original capital appeal target of £6m, we now have around £1m to go which is incredible. It's so heart-warming to know that our community's behind us.

It has also been staggering to see the response to our recent Covid-19 appeal which has meant that we've been able to expand our services just when people need us most. This is especially critical for our community services which have provided over 2500 visits in the year and continues to grow.

Our shops have had a challenging year like many others on the High Street. This hasn't been helped by the forced move from our largest store and retails' Head Office in Quarter 3 which was hugely disruptive to the team. This, on top of opening 3 new stores in the year was quite a stretch and consequently we have decided not to open any further stores in 2020/21. This decision has been further endorsed when we, like everyone else suffered the effects of Covid-19 from March onwards which has resulted in the closure of our stores. Our stores all remained closed until our phased re-opening in the second half of June.

This is a time of uncertainty for all charities but, for health care providers such as ourselves it represents a double challenge as our community needs more services from us at a time when our voluntary income is dramatically reduced. Where there is challenge there is also opportunity and we have embraced new ways of working and fundraising in response to the effects of Covid-19. We will also take the learnings from this time and ensure we implement them in the future.

**THAMES HOSPICE
TRUSTEES' REPORT
for the year ended 31 March 2020**

We are extremely grateful for all the support we receive from both our community and statutory sources for funding. At the moment it feels impossible to predict with any certainty what 2020/21 will bring in terms of further changes in the services we provide and voluntary income but, whatever it brings we will endeavour to ensure that we meet the needs of those people who need us in our community to the very best of our ability.

Thank you for reading this report; if you have any questions please don't hesitate to contact Debbie Raven (debbie.raven@thameshospice.org.uk) or our Finance Director, Ruth Bartholomew (ruth.bartholomew@thameshospice.org.uk)



Jonathan Jones – Chair



Debbie Raven - CEO



Strategic Report

Our Five Year Strategy, implemented in 2016/17 states our strategic aims:

- To be the leaders of palliative and end of life care in our community, providing a patient centred, seamless service focussed on quality and equity.
- To be the charity of choice in our local community, generating income and raising awareness to deliver our mission.
- To ensure the financial viability and sustainability of the charity so that we can continue to deliver our mission.
- To lead the design and delivery of sustainable organisational resource planning to support our mission.



The Charity Governance Code

The trustees and senior management team of Thames Hospice have adopted the Charity Governance Code as a set of aspirational principles that the charity can work towards as well as ensuring regulatory and legal compliance and satisfying specific targets set by our commissioning bodies.

There is more detail on how the trustees are implementing the code under our Governance section on pages 19-22.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

Public Benefit

The trustees have complied with the duty in the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission. Thames Hospice exists for the public benefit for the advancement of health and to provide relief to those in need by reason of ill health. This was brought into sharp focus towards the end of the financial year with the onset of the Covid-19 pandemic crisis. We have supported our local community and NHS services wherever possible, adapting our services to provide additional capacity and rapid mobilisation where needed.

The charity's objects and activities focus on the relief of illness, in particular of those persons suffering from cancer and other life-limiting conditions and the support of carers, families, friends and dependents during and after such illness, in such ways as the charity sees fit. All of these charitable activities deliver public benefit, and all services provided to patients and their families are provided free of charge at the point of delivery.

This year, even before the Covid-19 situation unfolded, we again increased the services we provide to the public by expanding our community and rapid response teams which are commissioned and fully funded by our local East Berkshire Clinical Commissioning Groups (CCGs). We have also expanded our counselling services to include services to bereaved children; we have received some funding from the BBC Children In Need charity to help us with this.

The expansion of services enables us to provide another level of care to those in our community who need us. Excluding these fully funded services, the NHS provides us with funding for around 30% of our patient related costs, the remainder being met through our Fundraising and Retail activities and our investment income.

Referrals are accepted from a variety of sources and our patient services are allocated according to clinical need. Care is currently delivered in the following ways:

- 17 bedded Inpatient Unit (IPU) at Thames Hospice, Pine Lodge, Windsor.
- Day Therapy Unit for both outpatients and inpatients operating two days each week at Pine Lodge.
- Physiotherapy, occupational therapy and lymphoedema treatments.
- Community team including 24 hour helpline and Rapid Response team.
- Counselling, psychological and spiritual support to patients and their loved ones.

Impact statement

Given the dual challenges of an ageing population with increasingly complex conditions, the need for our services has never been more acute. The additional challenges faced by our community with the onset of the Covid-19 crisis necessitated our participation in a wider provision of services. The additional pressure on the NHS and the wider care sector created a need in the community that Thames Hospice was able to respond to and we are proud of our contribution. This has also been recognised by our NHS partners at a local and national level.

The level and range of all the services we provide has increased year on year which led to the implementation of our ambitious plans to build a brand new purpose built hospice, a project known within the hospice as Project Twenty Five (PT5). We began to build in January 2019 and hope to move to the new facility in Bray

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

and be fully operational there by the end of 2020. Our new buildings will house a larger Inpatient Unit, Day Therapies Unit, Treatment rooms, Education Centre and carer and family facilities as well as space for the back office and support services.



Our impact on the local community through the services we provide is unquestionable and has been reinforced during the Covid-19 crisis. We are also looking forward to being able to expand and provide support to more people in need from our new site.

The impact and public benefit of Thames Hospice is clearly evident in the numbers of people we help at no charge to the patients and the feedback we receive from both patients and their loved ones. During 2019/20 we admitted 315 (2019: 284) patients to our inpatient unit which ran at our maximum target of 85% (2019: 85%). Also this year our Rapid Response team made 2,262 visits in the community (2019: 1,886) and delivered 10,071 (2019: 9,198) sessions and appointments for day therapies, counselling and other complementary therapies to patients and their loved ones.

The increase and improvement of all of our services is impacting the local community in a very positive way and has enabled us to provide the support needed during the Covid-19 crisis. The improved funding of those services through our CCGs is also helping us to secure a sustainable future for the Hospice.

Key achievements in 2019/20

This year Thames Hospice continued to deliver exceptional clinical services to the community maintaining the high occupancy rate on our IPU of the previous year. Feedback has again been consistently positive and complimentary, demonstrating our ability to deliver our gold standard of care in challenging circumstances.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

Our priorities for the year 2019/20 were based on the Year Four objectives from our Five Year Strategy as detailed on Page 6.

Some of the main objectives and how we performed are noted below:

- To continue to integrate and enhance community services and look at new ways of working which will benefit our patients, their carers and families.
 - This year has seen a significant increase in the rapid response team's work as they have continued to develop the services we provide 24/7 to the community.
 - All teams working out in the community have been reviewed and we have a new model to be implemented in 2020/21 that merges the services into one cohesive team with an excellent skill mix and the right protocols to enhance this vital service. The model will also increase service efficiency, enabling us to extend our reach to more people who need us.
- To monitor the new hospice build to ensure quality is maintained and the programme adhered to.
 - During the year we have attended site regularly to monitor progress with our project management team, design team and construction team.
 - We have agreed variations to the original design which have been suggested during the year and we have approved changes to the programme and to the budget as they have arisen.
 - The trustee committee overseeing the new build project and the management team have carefully monitored and remained comfortable with progress. Although the Covid-19 situation will now bring some delay to the programme, we are confident that we are on track to deliver a superb facility to our community.
- To manage the financial aspects of the new build, particularly in relation to cash management, the drawdown of capital from our investment portfolio and the securing of short term third party funding required until the proceeds of the Pine Lodge sale are available.
 - The management of cash has been a focus of the finance team this year. The funds for the new build have been provided from a combination of capital appeal and investments, using the appeal funds first to preserve our investment income as far as possible.
 - Our first draw down from the NatWest loan facility was not until April 2020 so we have minimised the costs of that borrowing as much as we can.
- To work on our transition plans for the new hospice buildings, including recruitment as required, involving all teams and disciplines across the organisation to plan the move as effectively and efficiently as possible.
 - The transition planning has been initiated and a group of staff representing all teams brought together to manage the process.
 - We have made substantial progress on all fronts and are confident we will be ready for the move.
- To continue to research and plan our education and training offering to service users and the wider community as we look to utilise the new Education Centre at Bray.
 - Research has continued this year and we will have business plans in place prior to the move to Bray and our new education facility.
- To launch the public phase of our capital appeal for the new Thames Hospice.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

- The public phase was launched successfully in September 2019 and public interest and support has been very encouraging.
- To continue work on the sustainability of the hospice, reviewing and planning income generation from all sources – our CCGs, fundraising and retail.
 - We have held a review of our ten year plans which were presented to the board in January and contained our latest revision of income and expenditure plans; they were approved and a further review timetabled next year.
 - We have been in constant touch with our CCGs regarding new funding contracts to be in place after the move and expansion; we are very grateful for their continued support in this regard.
- To continue our retail expansion programme, opening two new shops in the year.
 - We opened two new stores in Camberley and Caversham.
 - We also moved our retail head office, distribution centre and Home store to Maidenhead.



Thank you

We are deeply indebted to all of our donors and supporters, without whom we could not continue providing the services we do.

During 2019/20 we launched the public phase of our capital appeal. Through both the private and public phases of the appeal, we hope to raise £6 million of the £22 million budget for the new Thames Hospice; the remainder coming from our reserves and sale of our Pine Lodge site, due to complete in 2020/21.

Key objectives for 2020/21

We are now into the final year of our Five Year Strategy (2016 to 2021). As in previous years we have compiled an Operating Plan for the coming year in which each department sets out objectives and targets to achieve during the year which align with the four strategic aims as set out on page 6.

In the coming year we are looking forward to completing the new hospice build at Bray and moving our operations there. The Covid-19 situation arose after all of our operating plans were put in place but it will certainly impact upon the timescales assigned to actions and in some cases on our ability to achieve some of our objectives.

Managing the Covid-19 crisis will entail providing much needed support to our local CCGs, hospitals and care homes as well as additional care to our patients and their families. Aside from this situation, our focus is on the completion of our new hospice building in Bray and the transition of our services to that location.

Some key targets from our operating plan are:

- To monitor the new hospice build in terms of final design completion, contract, programme and budget to ensure our new building is fit for purpose, meets our quality targets and final contract costs are agreed and within budget.
- To control the cash management of the hospice with regard to new build and operating costs, ensuring the correct use of funds split between our own reserves, capital appeal funds and our short term NatWest loan facility.
- To complete the sale of Pine Lodge after transition and effect the repayment of our short term loan from the proceeds, reinvesting any surplus.
- To ensure that transition to Bray is efficient and well managed, including staff and volunteer recruitment, removals, communications and training.
- To negotiate and confirm our new contract with the CCGs for the expanded range of services provided out of Bray.
- To consolidate our retail position, opening no new shops but expanding our online facilities.
- To grow fundraising income through all sources as we move from the capital appeal phase to re-focus on sustainability.

Associated risk

We identify and monitor risk through our risk management process (see page 20). Our annual setting of objectives and operating plan inform the process enabling us to identify the major risks associated with our current and future work programme. The risks associated with fulfilment of our strategic objectives are reviewed quarterly by each committee and full Board as necessary.

The above key targets and opportunities all carry associated risks, the most significant of which are:

- Building our new hospice is an extraordinary project that brings with it many opportunities and corresponding risks, especially with the new Covid-19 situation now affecting the build programme and costs. There are reputational risks relating to moving site from a location special to many; there are financial risks inherent in the capital build budget itself, the capital appeal target and also the

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

future sustainability of the charity; there are very real practical risks associated with the project programme and transition from one hospice to another. Some of the key mitigation strategies are:

- The capital build requires use of capital appeal donations, funds drawn down from our investment portfolio and short term bank borrowing to cover the final months' costs until Pine Lodge is sold. The cash flow is reviewed weekly and we are managing the cash requirements closely in terms of which source of funds we use each month to pay contractor invoices and monitoring remaining balances.
 - We are keeping our future sustainability under review using our ten year financial plans which are updated and reviewed regularly both by the Senior Management Team (SMT) and Trustees.
 - Transition plans for the moving of all services to Bray are being worked on by all teams to ensure the practical arrangements involve everyone and specifically including the Patient and Family Services team who are best placed to ensure we are sensitive to the feelings of the community and past service users.
- Any expansion of or change to services brings opportunities for the charity to provide our services to more people in need and to enhance the care that they receive. The arrival of Covid-19 has increased the need and added complexity to service delivery. There are potential financial risks of over stretching our current and future resources associated with this, there are risks associated with recruitment of staff to deliver the services required and we must consider reputational risk associated were we to allow our standard of service to fall due to over expansion, change or Covid-19. Mitigation of these risks includes:
 - New service requirements and changes to existing services are carefully costed and reviewed with regard to staffing and capacity at all levels.
 - Dialogue with our CCGs is continuous and transparent, helping us to ensure that we are providing exactly what is needed at an agreed cost.
 - The added risk of Covid-19 is monitored in terms of the effect on each service, protective equipment supplied and training in place.
- We receive less than 40% of our income from NHS grants and contracts, so we are reliant upon our fundraising and retail activities to bridge the gap. Our resulting income generation targets carry multiple risks, for example:
 - The success of our stores is dependent upon many things such as the recruitment of the numerous staff and volunteers who work in them. We are able to mitigate risks like this with comprehensive programmes of recruitment. Retail is also at the mercy of some elements over which we have less control such as the footfall on the high street, a risk we can mitigate less but which we keep under constant review and take action such as reducing staffing should this be needed.
 - Our fundraising team are currently focussed on the joint challenge of meeting the capital appeal targets as well as their annual revenue targets. As we move towards completion of the new build the focus will shift to sustainability and we have been developing income streams such as our lottery and expanding our major donor programme to help with this.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

Financial Review

Review of the year 2019/20

Performance this year with regard to our financial position on the general fund has proved challenging, which is borne out by the loss of £497k (2019: surplus £448k). We have made an overall surplus though on the SOFA (Statement of Financial Activities, see page 32) in the year of £2,121k (2019: £1,953k) including restricted fund income to our capital appeal for the new hospice of £2,574k (2019: £1,504k). Below we look at each SOFA line and review the results.



Raising Funds: Donations and Legacies

We are, as always indebted to our generous donors and supporters for their continued commitment to the hospice. Without them, we simply could not continue to provide the care our patients and their loved ones need without charge.

This year, donations and legacies income rose to £6,046k from £4,891k. In Memory donations continued to increase again this year, due largely to our heightened service presence in the community, bringing in £345k (2019: £290k). We also launched an Urgent Covid-19 appeal at the end of March, which had generated £48k by the end of the financial year.

On top of this, our capital appeal received receipts totalling £2,574k (2019: £1,504k) towards our overall target of £6million. Part of our capital appeal total related to the designation of an additional £168k from fundraising revenue income. Where donations or events receipts exceeded budget, it was agreed by the trustees that the additional income generated would be designated for the capital appeal. The £168k was made up of £25k from our Individual Giving team and £143k from our Community & Events team.

The total legacy income at £1,614k was split again this year between the capital appeal total of £457k (2019: £420k) and revenue funding of £1,157k (2019: £1,392k).

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

Raising Funds: Charitable Activities

Our charitable activities income was very similar to last year totalling £3,467k (2019: £3,487k). The income is received largely from the East Berkshire CCGs. There was no substantial increase in our core grant this year, as our services have not changed. However, the demand for our services is growing and therefore we received an extra £63k from the CCGs to cover the increased cost of running our Rapid Response service and £25k towards the cost of additional staff for our counselling service.



Raising Funds: Other Trading Activities

This category of income rose this year by £298k to £2,730k (2019: £2,432k). From a fundraising point of view this was largely due to the lottery which brought in £412k versus last year's total of £222k. The increase in lottery players is the reason for this.

The retail division improved again on last year's performance for sales of donated and new goods, despite another year of difficult conditions on the high street. In total they brought in £2,183k this year versus £2,035k in 2019/20. This increase was due to the opening of our new store in Caversham alongside the effect of a full year of our Langley store, which opened at the very end of 2018/19.

Raising Funds: Investment and Other Income

Investment Income is significantly down on last year at £290k (2019: £482k). This is as a result of us drawing down on our investment portfolio to help fund the new build as planned.

Other income was £94k versus last year's £64k. This year includes £19k of income from the Covid-19 Job Retention Scheme (JRS) set up by the Government to fund 80% of salaries for staff whom we have had to place on furlough. The majority of staff affected were from our retail division, furloughed due to the closure of our shops on 23rd March.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020



Expenditure: Raising Funds

Direct costs of raising funds have increased to £4,281k this year (2019: £3,600k). This is due to several factors; in Fundraising this includes the costs of running our capital appeal which are being met out of general funds and also the increased costs of lottery canvassing to sign up new players. For retail this includes the effect of the new shops, the relocation of our Home store and Distribution Centre and the closure of our Marlow shop. All of these are viewed as positive investments given the increase in income they will all generate for the hospice in future years.

Expenditure: Charitable Activities

Direct costs of charitable activities have fallen £62k to £4,386k this year (2019: £4,448k). The majority of this decrease is due to clinical staff vacancies in particular on our Inpatient Unit and within our Community Team.

Expenditure: Central Services Support Costs

Our central support costs were well controlled again this year producing a small decrease in the annual total. There was not one individual reason for the decrease, it was the result of small variances across most corporate teams. The total for the year was £1,731k (2019: £1,748k). The allocation of central services costs was 50% to Raising Funds and 50% to Charitable Activities (2019: 45% and 55% respectively). The apportionment of central services costs reflects the increased spend on raising funds, largely due to the lottery and our capital appeal.

Investment gains and losses:

Our investments had gained well over £100k over the course of the year up until Quarter 4 when markets then took a tumble and we lost everything we had gained and more. We ended the financial year having lost £108k

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

(2019: gain of £393k). Markets have recovered slightly during the first months of the new year. Investment management fees have reduced in line with the drawdown of our investment portfolio totalling only £25k this year (2019: £47k).

The Balance Sheet

The main changes in the balance sheet over last year's figures are the substantial movement within the fixed assets categories and the increase in creditors. Our investments have decreased by £11m and our tangible assets have increased by £13m. The decrease in investments is the planned drawdown of our investment portfolio to help fund the build costs of the new hospice. This is then reflected in the substantial increase to the fixed assets which have risen due to the capitalisation of the invoices for the actual build costs, along with fees and other associated costs. These are disclosed in Note 13 as Assets Under Construction.

Creditors have also increased this year due to a contractor invoice received in April relating to March; these are monthly charges relating to the new build.

Reserves

At the year end the total funds in the group stood at £25,070k (2019: £22,949k). Of this, restricted funds totalled £287k (2019: £503k), designated funds £1,367k (2019: £12,000k) and general funds £23,416k (2019: £10,446k). The funds are analysed further in Notes 18 and 19 to the accounts and our Reserves Policy detailed below.

Reserves policy

In order to maintain our level of service to our patients and their loved ones, our aim is to achieve sustainable funding for Thames Hospice and to ensure that our reserves give sufficient resilience to allow for fluctuations in income. It is recognised by the trustees that the charity may generate a surplus or deficit in any one year depending on the unpredictable nature of some funding streams and general economic conditions. The trustees have therefore determined to maintain a reserve position that would enable the charity to continue operations during deficit years, and in surplus years, invest additional funds generated in our investment portfolio.

The charity determines its future reserve requirements by producing ten year projections of income and expenditure and reviewing the charity risk register on a quarterly basis or whenever a change in operations might necessitate. The trustees have decided to set the level of reserves by reviewing these projections and ensuring that any potential deficit years would be covered by our free reserves. Free reserves are defined as our total reserve net of restricted funds, fixed assets and any reserves designated for specific purposes by the trustees. Surplus reserves generated are set aside for future projects of a capital or revenue nature. Such designations for future projects are agreed by the Board prior to the financial year end as required by the Charities Statement of Recommended Practice.

The reserves policy is reviewed annually by the Finance and Investment Committee and any recommendations for change presented to the Board for approval. The Committee will review the sufficiency of free reserve at each year end. The trustees have reviewed the policy in place for 2019/20 and have determined that it is fit for purpose and that reserves are adequate in accordance with the provisions of the policy.

The designation relates to the project to build the new hospice and expand the services it provides; initially £10 million, the fund was increased in 2016/17 by designating the net funds received from the surrender of

THAMES HOSPICE
TRUSTEES' REPORT
for the year ended 31 March 2020

our Ascot property and then increased in 2018/19 to £12m in line with our pledge to commit that amount to the capital build. During 2019/20 we have used £10.8m from the fund to pay contractor invoices and have designated £168k from fundraising events.

The ten year financial projections for the charity, including the planned expansion and new build due to complete in 2020, show that we would need to ensure we keep approximately £5 million in a free reserve to cover potential annual deficits caused by income fluctuation. This amount would ensure the sustainability of the charity as long as there are no major material variances to the forecast expenditure or changes to our major income streams. The reserves may be classified as follows:

	£m
Fixed assets	20.0
Designated reserve for capital project	1.4
Restricted reserves	0.3
Free reserves	<u>3.4</u>
Total reserves	<u>25.1</u>

The free reserve currently sits below the target of £5 million due to the movement last year of the additional £1.4 million into the designated reserve. The trustees have approved this as it is within an acceptable range of the target and hope to increase the reserve over the coming years to bring it back up to the desired level.

All income received into the capital appeal is ring fenced in the restricted reserves to be used exclusively on the new build.

Investment policy

We have continued to use Investec Wealth & Investment Limited as our investment manager throughout the financial year, remunerated by a management fee. Investec actively manage our portfolio in line with the investment policy set by the trustees and report back to the Board on the performance of the portfolio on a quarterly basis. During the year we have drawn down £11m from our investment portfolio to help fund the new hospice build programme.

Investec have been assisting us with this and moving tranches of the portfolio into less volatile securities and ensuring that cash is available when required during the build. During the build period, we have suspended the normal policy constraints to enable Investec to move our funds more easily and this manifests itself in a more moderate set of asset allocation ranges.

Main portfolio:

At 31 March 2020 the policy, temporary revised policy, benchmark and actual asset allocation stood at:

	Policy	Temporary policy	Benchmark	Actual
Fixed Interest	25-45%	20-40%	34%	51.6%
UK Equities	30-50%	} 20-40%	40%	17.1%
Overseas Equities	5-15%		10%	7.4%
Property	4-8%	5-15%	6%	7.0%
Infrastructure	0-8%	5-15%	5%	11.8%
Cash	0-20%	0-30%	5%	5.1%

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

The total return performance for the 2019/20 year was -1.9% against a benchmark of -0.7%. This result reflects a year of some volatility in the markets and a severe dip in Q4 which led to the loss on the SOFA. Despite this though there has been a bit of a rebound in April 2020.

The realised and unrealised losses on our investments in the year totalled £108k (2019: gain of £393k). Investment income fell significantly during the year to £290k (2019: £482k) which is due to the drawdown of our portfolio to help fund the hospice new build. We expect our investment income to remain at a lower value until we can begin to reinvest after the build is complete.

Bond portfolio:

The bond portfolio mix is restricted to fixed interest and cash as its purpose is to provide stable cash based funds from which we can draw down at short notice. This fund has largely been used up during the year to help fund the build and its use will be reviewed once the build is complete. As with the main portfolio, the policy restrictions have been temporarily suspended to enable Investec to provide funds for the build.

At 31 March 2020 the policy, benchmark and actual asset allocation stood at:

	Policy	Benchmark	Actual
Fixed Interest	80-90%	90%	93.3%
Cash	10-20%	10%	6.7%

Review of Thames Hospice Retail Limited

Thames Hospice Retail Limited is a wholly owned trading subsidiary of Thames Hospice.

During the financial year, the company acted as agent for the sale of donated goods made under the HMRC gift aid scheme and a variety of new goods were also sold through the company. Sales of our newly expanded range of purchased goods have continued to grow providing the charity with additional income.

The company's results for the 2019/20 financial year show a profit of £15k (2019: £21k) which was gift aided under the covenant existing between Thames Hospice Retail Limited and Thames Hospice. The directors are comfortable that the Retail Company is a going concern and the directors will keep under review the sales and margins generated by the new goods and stock management as transaction volumes increase.

Governance, Structure & Management

Governance

The trustees and senior management team of Thames Hospice have adopted the Charity Governance Code as a set of aspirational principles that the charity can work towards as well as ensuring regulatory and legal compliance and satisfying specific targets set by our commissioning bodies. The leadership team considers the application of these seven principles underpins how we govern our charity and would illustrate this in the sections that follow:

1. Organisational Purpose

The Board set the new Mission, Vision and Values of the Charity in 2016 and ensured at that time that they complemented the Charity's aims and primary purpose. The Board also set the strategic aims which formed the basis of our Five Year Strategic Operating Plan from which our annual operating plans are developed each financial year.

The Board, via the committee structure, reviews the operating plan quarterly considering the achievement of objectives, assessing the effectiveness of operations and reviewing future sustainability. Each focussed committee has delegated authority according to its terms of reference to review and challenge the SMT on the performance of their teams against their objectives and key performance indicators, share specialist knowledge and agree next steps as required.

The Senior Leadership Team (SLT) comprising the SMT and the trustees have two off site afternoons each year when they discuss specific aspects of strategy, sustainability and risk. An external governance review took place during the year which was presented to the team at the meeting in January 2020 and the SLT were pleased to note the good report and have completed any actions that came out of the overview. These included freeing up time on the Board agenda for strategic discussions and completing a trustee skills matrix to better inform future trustee appointments.

2. Leadership

The Board of Trustees governs the charity and meets quarterly with the Chief Executive and Company Secretary in attendance. Other members of the SMT are invited to join the Board meetings if their input is required for a particular agenda item. The Board meets at least four times per year, but any trustee or the Company Secretary can call an extraordinary meeting by following due process as indeed was carried out to ensure trustees were involved in and informed about the management of the Covid-19 crisis.

Board meetings are informed by five quarterly sub-committees of the Board, each chaired by a trustee and whose membership comprises trustees and relevant members of the SMT. The Chief Executive attends all committee meetings. The sub-committees operating during the course of the year were: Finance & Investment; Patient Care & Quality; HR; Income Generation & Marketing and PT5 (regarding the new hospice build project). An additional committee, the Nominations Committee, is also convened from time to time during the year as required, to deal with trustee recruitment and the terms and conditions for the Chief Executive and other members of the SMT.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

The Board Chair meets regularly with the CEO of the hospice and with committee chairs. He carries out annual appraisals on the other trustees, provides feedback to them and to the SMT and attends committee meetings on a regular basis. The Board Chair has also been appraised this year by the Vice Chair incorporating feedback from the SLT.

3. Integrity

On becoming a trustee, all new Board members sign a Trustee Code of Conduct which incorporates the Nolan principles and lays out the conduct expected of our Board.

The Code includes agreement that the trustee will not benefit from their involvement in the charity either materially or financially. No trustee remuneration or expenses were paid in the year (2019: £nil). Details of related party transactions are disclosed in Note 23 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Head of Governance and Quality prior to each quarterly Board meeting where they are reviewed and noted. In accordance with the Thames Hospice Articles of Association, the remainder of the trustees are responsible for assessing whether a trustee's interest gives rise to a conflict of interest and whether that conflict may require their exclusion from voting on a subject although they may still be permitted to take part in the discussions.

4. Decision-making, risk and control

Strategy and planning

An annual Operating Plan, in the wider context of our five-year Strategic Plan, is prepared by the Chief Executive and SMT prior to the beginning of the financial year and is discussed and approved by the trustees, providing an opportunity for their strategic input. Day to day operational management is delegated to the SMT along with responsibility for the completion of objectives and achievement of KPIs on the plan. Performance against the agreed aims and objectives for the year is monitored quarterly by each governing Trustee Committee and by the full Board. Each committee operates under Terms of Reference that are reviewed annually and revisions ratified by the full Board.

Budgets are produced annually and presented to the Finance and Investment Committee for recommendation to the full Board who provide overall approval. Performance against budget is reviewed by the SMT monthly through the management accounts process and then quarterly by the Finance and Investment Committee and Board. Full year reforecasts are completed after the second and third quarters each year to ensure we are mapping our progress towards a final year result.

Our ten-year financial plan is reviewed and updated regularly in order to provide a longer term view of the charity's sustainability and potential risks. The results of this planning have informed the decisions made over the building of the new hospice and constant review of the numbers helps the SMT and Board to make proactive assessments of, for example, new income streams, organisational change and cash flow.

Risk Management

The charity uses a formal review process to analyse and manage the risks to which the charity is exposed in the course of its activities, both strategic and operational, through a risk register and embedding risk identification into the annual planning process.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

All significant risks are identified, along with the likelihood of such risks occurring and the predicted level of impact, together with mitigation measures. These are reviewed quarterly by the SMT and Board sub committees with key risks accelerated to the Board itself.

We continually review risk management and governance within all areas to ensure that identified risks are addressed and the learning is continuous. New projects are also assessed specifically for the associated risk as project plans are made. The SLT offsite afternoon in September 2019 focussed solely on risk identification and management; the Board was satisfied that the process was fit for purpose and all risks documented. The SLT has taken on board the learning point that it did not anticipate the possibility of a global pandemic as a risk to include on the register and has followed this up in the light of the Covid-19 crisis.

Controls

Supporting the governance and management of Thames Hospice we have a comprehensive set of policies and procedures which are published and reviewed on a regular basis and controlled by our Head of Governance and Quality. Policy review is set at an appropriate number of years for each policy but will be overridden by changes in processes or external requirements which necessitate a more immediate change. All staff are trained in information governance (including General Data Protection Regulation) as part of their annual mandatory training which also includes equality and diversity, health and safety and manual handling.

In addition to the suite of policies we have a series of management tools that we use to ensure control over the running of the hospice, including a comprehensive health and safety action plan, governance committee, incident and accident reporting and an internal audit programme; all of which run alongside our risk register as detailed above.

5. Board effectiveness

There is a rigorous process for recruitment of new trustees which involves much discussion about the skills required and how to ensure the continuity of a broad base of experience amongst the trustees.

Recruitment and Appointment of Directors and Trustees of Thames Hospice

The trustees of the charity are also directors of the company. Trustees are appointed for an initial period of 4 years; after which they may apply for re-election to serve a second period of 4 years. The second term of appointment may be extended for a further 12 months on an exceptional basis. The trustees appoint a Chair from within their number, who can also serve two periods of 4 years with the option for an exceptional extension of 12 months.

When a trustee retires every effort is made to replace him/her with a person of qualities and experience which will be relevant to the requirements of the charity. There is an open recruitment and selection process with trustee vacancies advertised externally as necessary. Potential trustees are interviewed by a Nominations Committee, comprising three trustees including the Chair of the Board but open to all trustees wishing to attend, who consider and recommend applications to the Board for ratification. New trustees are then appointed by a majority decision of the full Board. The Board of Trustees are detailed on page 53.

Trustee Induction and Training

Trustees undergo formal induction by spending time in the Hospice on the Inpatient Unit, meeting individually with the Senior Management Team (SMT) and attending meetings of the Committees of the Board. The Board

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

identifies and meets the individual training and development needs of its trustees and has in place a framework for evaluating board performance. Continuing professional development courses for trustees are considered an essential part of the trustee role and, as such, paid for by the hospice.

The Board seeks at all times to follow best practice in line with the recommendations of the Charity Commission and the Charity Governance Code. Training is provided as required and appropriate to the individual and relevant material made available to the Board as it is published.

Trustee Advisors

From time to time the trustees may appoint an advisor to a committee. This will be in order to meet a particular requirement that has been identified concerning matters specific to that committee relating to a project or area of concern for which external advice and knowledge are deemed necessary.

6. Diversity

The Hospice is committed to an equal opportunities approach in everything it does. This means that we seek to ensure anyone connected with Thames Hospice, from patients and families to donors, supporters, volunteers and staff, are treated fairly and appropriately. All staff and volunteers, including trustees, undertake mandatory equality and diversity training to ensure that these principles are embedded in our culture.

The Board recognises that in order to serve a diverse community there should be a diversity of experience and backgrounds across the team to encourage debate and through robust challenge and discussion make better decisions. At the SLT off site afternoon in January, when governance was the focus, it was decided to set up a small group of trustees to look at the diversity of the Board and how it can be improved. This will be responsible to the rest of the Board and report to them later this year.

7. Openness and accountability

The trustees and SMT believe wholeheartedly in running a transparent and accountable charity. To this end, we have put in place regular communication with staff, volunteers, donors and our partners to ensure we meet all reporting and regulatory requirements. We also operate systems of service user feedback and review all complaints, constructive feedback and compliments regularly. We fully accept that not everything will go according to plan all of the time and embrace feedback in the knowledge that it will help us to improve our services for patients and their loved ones, the working environment for staff and volunteers and ultimately our sustainability through our partners and donors.

To ensure we capture all feedback and act upon it, we have a number of key policies and processes including:

Complaints

Thames Hospice has a complaints policy published on our website. Any reports of unsatisfactory treatment or behaviour are taken extremely seriously and referred initially to our Head of Governance and Quality and the responsible SMT member for further investigation and action. The exception to this is if the complaint relates to Fundraising and in this instance the complaint will be investigated first by the Director of Fundraising and Marketing. The complaints policy is audited as part of our annual audit programme run by our Governance team.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

During the year we received 3 (2019: 2) clinical complaints (one a larger NHS managed complaint), 10 (2019: 3) fundraising and 16 (2019: 11) retail. All were considered by our Head of Governance and Quality and the responsible SMT member and dealt with in house. None were reportable to the appropriate regulators.

Incidents and Accidents

All incidents and accidents are reported to our Head of Governance and Quality and reviewed monthly by the Incidents and Accidents review panel comprising the Chief Executive, the Director of Nursing and Family Services, the Director of Retail and the HR Director. Associated actions are identified and monitored with reports going to the appropriate committees and Board. Thames Hospice employs an external Health and Safety consultant to provide additional expertise in this area and to provide support to our own staff.

We have implemented an online system for the reporting of incidents which has proved successful in giving staff and volunteers a straightforward process to follow and the SMT an effective way to quantify and assess all reported incidents.

Safeguarding

Safeguarding is a key governance priority for all charities, not just those working with groups traditionally considered at risk. Thames Hospice takes its responsibilities very seriously and safeguarding training is available for all trustees and senior management and relevant staff and volunteers.

The hospice has a suite of policies and measures in place to address the safeguarding of all individuals who come into contact with us, whether as patients, family members, staff or volunteers. These include a Safeguarding Policy for patients, HR Policies including Volunteer Policies, an Accident and Incident Reporting Policy and a Whistleblowing Policy. The Accident and Incident Reporting Policy and the Whistleblowing Policy both ensure full investigation of reported events.

The hospice has a Freedom to Speak Up Guardian who is also our Head of Governance and Quality. She is available to all staff and volunteers who wish to express concern about any aspect of the Hospice. The Board also has an appointed Safeguarding Champion.

All hospice policies are subject to regular review and updating. HR policies include strict recruitment processes that are in place to check the probity of all new employees, including mandatory DBS checks and the checking of references.

Group Structure

The Charity is a company limited by guarantee, incorporated in England and Wales (company number 5316964) and a charity registered in England and Wales (charity number: 1108298). In 2005 the Charity then known as Thames Hospicecare was formed following the merger of Thames Valley Hospice and the Paul Bevan Cancer Foundation. The merged charity rebranded to become Thames Hospice in 2013 with the change of name approved by Companies House in September of that year.

The Charity operates under a Memorandum and Articles, amendments to which were approved by the trustees on 4 September 2014. Subsequent minor amendments have been approved by the Board Chair and a full review initiated in 2020.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

Thames Hospice Retail Limited

The issued share capital of this company is held by the charity. This company is used to process sales of new goods sold through the charity's retail outlets and to receive commission on gift aided goods donated to the charity for resale through the charity's retail outlets.

Thames Valley Hospice and Paul Bevan Cancer Foundation

These charities remain as "shell" charities in order that they may still legally receive legacies and other general donations. The trustees of both shell charities have resolved to make a grant of any monies they receive for Thames Valley Hospice and the Paul Bevan Cancer Foundation to the benefit of Thames Hospice.

Related and other connected parties

The charity is supported by its subsidiary retail company. Charitable trusts, fundraising support groups and individuals also raise money for the hospice via charity events, individual donations and legacies.

NHS – The charity has a close relationship with the NHS commissioners (East Berkshire and South Buckinghamshire) who provide essential funding towards the operating costs of the charity in the form of grants. East Berkshire CCGs also commission two fully funded services from the charity to enable the hospice to provide further services to the community: our rapid response and 24 hour helpline, and our community team both of which have enabled us to expand our services and to provide support 24 hours a day to our patients and their families when they need it. Excluding these fully funded services, our NHS grants contributed £1,634k to the running costs of the hospice representing 26% of costs excluding income generation (2019: £1,584k was 29%). In addition, our East Berkshire CCGs commission a Lymphoedema therapy service which is also fully funded and has provided a substantial increase in the availability of this vital service.

Thames Valley Charitable Trust (TVCT) – This Trust was closed during 2019/20. It existed to provide funds at its discretion, in support of Thames Hospice and on its closure, it donated all remaining funds to the hospice capital appeal to fund one of our new IPU bedrooms.

Shell charities – Thames Valley Hospice and Paul Bevan Cancer Foundation – see above.

Management

Key management personnel

The trustees consider the Board of Trustees and the SMT as comprising the key management personnel of the charity in charge of directing and controlling the charity. The day to day management of the charity is delegated to the Chief Executive Officer who meets with the whole SMT weekly and individually every fortnight. The members of the SMT are detailed on page 54.

The SMT report to the Board both via the committee structure and on a more informal basis as required to keep the Board informed and to ensure good communication within the senior leadership team.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

Reward policy

The pay of the charity's SMT is agreed by the Nominations Committee. The pay of all other employees is reviewed by the SMT and annual pay awards approved by the Board of Trustees. Remuneration for new staff is benchmarked with similar roles and similar organisations by the HR Director and the remuneration for all posts kept under review in order to ensure the levels are fair and supportable. Our policy reflects the needs of the organisation, enabling us to recruit the most suitable staff and run the hospice effectively.

The Thames Hospice Reward Policy aims to ensure that reward and recognition practice underpins and supports our vision, mission, organisational values and strategic objectives while remaining legally compliant and reflective of recognised best practice. We are committed to ensuring that our salaries remain competitive in the labour market.

Thames Hospice does not recognise any formal external pay schemes (unless for employees protected by TUPE regulations) and salaries are set independently in accordance with appropriate benchmarking. For medical, clinical and other patient facing roles we track but are not limited by NHS pay bandings. For all other roles we aim to pay at least the median salary rate as published in the annual Hospice Rewards Salary Survey taking into account affordability and any other mitigating circumstances. We use Hospice HR Networks and other available published salary surveys to facilitate our approach to setting salaries to roles.

Our staff and volunteers

We know that our most important and valuable resource is our people. Whether they are paid staff or volunteers we value their support and commitment equally and we recognise that without them Thames Hospice would not be the charity that it is. We support, manage, develop and utilise the talents of our staff and volunteers, so that they are empowered and committed to delivering our strategic aims.



HR objectives include comprehensive training and development programmes to deliver a variety of staff training, both clinical and non-clinical. We run a series of mandatory training such as health & safety and governance but also offer training on areas such as managing and recognising stress at work, managing mental

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

health at work and building effective and respectful relationships at work. Delivery against our objectives is overseen by the HR Committee and reported to the Board.

We also provide a comprehensive communication programme for staff including a staff forum where they can provide feedback or ask questions through their representatives. We hold SMT roadshows where the SMT will brief staff on how we are performing and what to expect in the future; staff have the opportunity to raise queries and comment on the plans and results they are shown. Other forms of information sharing and discussion are staff newsletters, Schwartz sessions (multi-disciplinary discussion groups) and invitations to tea with SMT.

Valuing our volunteers

The charity benefits from the support of over 600 volunteers who undertake a range of activities on behalf of Thames Hospice, including working in our retail shops, driving patients to and from day therapy appointments, sorting our donated stock and staffing our reception desks. Qualified counsellors also volunteer in the Hospice, providing professional counselling support to patients and families.

As at 31 March 2020 we had 663 volunteers working in a variety of roles in the charity. To date we have presented 156 volunteers with long service certificates for between 10 and 30 years service and 211 volunteers with certificates for 5 years service. Our Head of Volunteering has responsibility for these awards and organises events such as our volunteer week tea event where we celebrate the importance of the work that our volunteers do. A programme of induction and ongoing training is also in place to enable our volunteers to carry out their roles safely and effectively and to ensure they gain the most out of their experience with us.



We fully acknowledge the role of volunteers and how valuable they are to the charity. We estimate that they worked over 80,000 hours in the last year, equivalent to around £760k in potential staff costs. Their contribution to the charity is immense and we are most grateful to them for their hard work and commitment to Thames Hospice.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

Fundraising

Thames Hospice relies on the support of our local community to help us raise the vital funds we need to continue to provide our care free of charge for those in need. We are committed to delivering the highest standards in fundraising and in response to the greater need for transparency and formal regulation, Thames Hospice has published its own Fundraising Promise. This is available on our website. We take our responsibilities in this area seriously and strive at all times to meet best practice standards and to adhere to all voluntary codes of conduct. We are members of the Institute of Fundraising (IOF) and registered with The Fundraising Regulator (FR).

Thames Hospice has a set of metrics based on the Institute of Fundraising Code of Fundraising Practice. The metrics have two functions:

- To confirm Thames Hospice is compliant with the standards expected of fundraisers and
- To measure and report against specific elements of fundraising practice at Thames Hospice.

The trustees review these metrics at each quarterly Board meeting to ensure the hospice is carrying out all fundraising activities according to the Code and complying with the underlying principles of openness, honesty and respectfulness.

We employ third parties to carry out face to face lottery canvassing. They are also instructed according to IOF and FR codes and regulations and we ensure that they are acting with respect to members of the public and safeguarding potentially vulnerable persons. We also employ a company to call lottery players whose membership has expired to ask if they will renew; they have been similarly instructed and are appropriately monitored. All other fundraising is carried out by the Thames Hospice staff team who are trained and managed according to IOF and FR rules and best practice.

Thames Hospice has a Fundraising Complaints Policy which is available on our website. We take any complaints received very seriously and they are reviewed and acted upon by the Director of Fundraising and Marketing and their team; they are also reviewed by the Board. During the year the Fundraising team received 10 complaints (2019: 3) which were all dealt with in-house; none were reportable to the regulator.

Environmental policy

Thames Hospice strives at all times to consider the environmental impact of what we do and minimise any negative effect that we might have. Staff have recycle bins located in offices and kitchens and they are encouraged to recycle wherever possible. This year we have also introduced battery recycling and we recycle toner cartridges wherever possible.

Our retail vans are routed to use the lowest mileage possible when collecting and delivering. Suppliers are expected to demonstrate similar principles.

We have given much consideration to the environment when designing our new hospice building in Bray. We have elected to use a system of thermal mass to control temperature in the building and have restricted the use of air conditioning to the patient rooms, education suite and communications room. Our landscape designers have produced a scheme which is sympathetic to our surroundings and will enhance biodiversity.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2020

For example, they have used an existing water course and are planting a wild flower meadow both of which will encourage wildlife and improve the biodiversity in the area.

Statement of Trustees' Responsibilities

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

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

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable 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 the charitable company will continue in business.

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

The Trustees 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.

Statement as to disclosure of information to the auditor

So far as the trustees are aware, there is no relevant audit information of which the charity's auditor is unaware, and each trustee has confirmed that they have taken all the steps they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditors

The auditors, Saffery Champness LLP, have indicated their willingness to continue in office.

The Trustees' Report and incorporated Strategic Report were approved by the Board of Trustees on 17 September 2020 and were signed on its behalf by Andy Ka, Trustee.

Signed:

Date:

THAMES HOSPICE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES

for the year ended 31 March 2020

We have audited the financial statements of Thames Hospice for the year ended 31 March 2020 which comprise the group statement of financial activities, the group and charity balance sheets, the group cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2020 and of the group's incoming resources and application of resources, including its 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 and the parent charitable company 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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

THAMES HOSPICE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES

for the year ended 31 March 2020

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report, which includes the Directors' Report and the Strategic Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 28, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

THAMES HOSPICE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES

for the year ended 31 March 2020

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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

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

Use of our Report

This report is made solely to the charitable company's members and the trustees, 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 and trustees 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Liz Hazell (Senior Statutory Auditor)
For and on behalf of

Saffery Champness LLP	71 Queen Victoria Street
Chartered Accountants	London
Statutory Auditors	EC4V 4BE

Date:

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THAMES HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)

for the year ended 31 March 2020

		Un- restricted Funds	Restricted Funds	Total 2020	Un- restricted Funds	Restricted Funds	Total 2019
	Note	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies	2	3,421	2,625	6,046	3,272	1,619	4,891
Charitable activities	3	3,467	-	3,467	3,487	-	3,487
Other trading activities	4	2,730	-	2,730	2,432	-	2,432
Investment income	5	290	-	290	482	-	482
Other income	6	94	-	94	64	-	64
Total Income		10,002	2,625	12,627	9,737	1,619	11,356
Expenditure on:							
Raising funds	7	5,147	-	5,147	4,392	-	4,392
Charitable Activities	7	5,244	7	5,251	5,383	21	5,404
Total Expenditure		10,391	7	10,398	9,775	21	9,796
Net income/(expenditure) before investment (losses)/gains		(389)	2,618	2,229	(38)	1,598	1,560
Net (losses)/gains on investments		(108)	-	(108)	393	-	393
Net income		(497)	2,618	2,121	355	1,598	1,953
Transfers between funds	18	2,834	(2,834)	-	1,405	(1,405)	-
Net Movement in Funds	10	2,337	(216)	2,121	1,760	193	1,953
Reconciliation of Funds:							
Total funds brought forward	18	22,446	503	22,949	20,686	310	20,996
Total funds carried forward		24,783	287	25,070	22,446	503	22,949

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended are derived from continuing activities. The notes on pages 35 to 52 form part of these financial statements.

THAMES HOSPICE
BALANCE SHEETS
as at 31 March 2020

Registered Company No: 5316964

		Group	Charity	Group	Charity
	Note	2020	2020	2019	2019
		£000	£000	£000	£000
Fixed assets					
Tangible assets	13	20,958	20,958	7,359	7,359
Investments	14	3,106	3,106	14,294	14,294
		24,064	24,064	21,653	21,653
Current assets					
Stocks	15	79	-	73	-
Debtors	16	2,489	2,563	2,381	2,434
Cash at bank and in hand		634	633	689	689
		3,202	3,196	3,143	3,123
Creditors: amounts falling due within one year	17	(2,196)	(2,192)	(1,847)	(1,829)
Net current assets		1,006	1,004	1,296	1,294
Total assets less current liabilities		25,070	25,068	22,949	22,947
Net assets		25,070	25,068	22,949	22,947
Restricted funds					
Restricted funds	18	287	287	503	503
Unrestricted funds	18	24,783	24,781	22,446	22,444
Total Funds		25,070	25,068	22,949	22,947

As permitted by Section 408 Companies Act 2006 the parent charity has not presented its own SOFA. The charity's surplus for the year was £2,121k (2019: £1,953k).

The Financial Statements on pages 32 to 52 were approved and authorised for issue by the Board of Trustees on 17 September 2020 and were signed on its behalf by Andy Ka, Trustee.

Signed:

THAMES HOSPICE
CONSOLIDATED CASHFLOW STATEMENT
for the year ended 31 March 2020

		2020	2019
	Note	£000	£000
Net cash provided by continuing operating activities	20	2,488	1,893
Cashflows from Investing Activities:			
Investment income		290	481
Purchase of tangible fixed assets		(13,913)	(2,708)
Purchase of investments		(772)	(3,751)
Sale of investments		11,852	4,177
Net cash used in investing activities		(2,543)	(1,801)
Change in cash & cash equivalents in the year		(55)	92
Cash & cash equivalents at the beginning of the year		689	597
Cash & cash equivalents at the end of the year	21	634	689

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

1 Accounting policies

The Charity is a company limited by guarantee, incorporated in England and Wales (company number 5316964) and a charity registered in England and Wales (charity number: 1108298). The Charity's registered office address is: Pine Lodge, Hatch Lane, Windsor, SL4 3RW

Basis of preparation

The Financial Statements are prepared under the historical cost convention with the exception of investments which have been included at fair value.

The Financial Statements have been prepared in accordance with 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 (FRS102)(Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Thames Hospice meets the definition of a public benefit entity under FRS102.

The financial statements have been prepared on a going concern basis. There are no material uncertainties about the charity's ability to continue. The Covid-19 pandemic has impacted the charity's finances in 2020/21 although government and local authority grants and an emergency appeal have largely mitigated the effect. The trustees are satisfied that this will not impact the sustainability of the charity in the long term.

The group statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its wholly owned subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. The financial statements are presented in sterling, rounded to the nearest £1,000.

Fund accounting

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions or which have been raised by the charity for particular purposes.

Income

All incoming resources are included in the SOFA when the charity is entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donation income is received by way of grants, donations and gifts and is included in full in the SOFA when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Legacies are recognised when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Entitlement is the earlier of the charity being notified of an impending distribution or the

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

legacy being received. Where the conditions for recognition are not met, the charity maintains a legacy pipeline. However, as these are not readily quantifiable they are not disclosed in these accounts.

- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services by volunteers has not been included in these accounts.
- Goods donated for resale through the charity's shops are included as incoming resources within Other Trading Activities when they are sold.
- Investment income is included when receivable.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Any VAT which cannot be fully recovered is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops.
- Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Central support services costs comprise those costs associated with Finance, HR, IT, governance and support such as maintenance, housekeeping and utilities.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.
- The charity makes an accrual for outstanding holiday pay at the end of the financial year.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation of fixed assets is charged by annual instalments commencing in the year of acquisition at rates estimated to write off their cost less any residual value over their expected useful lives which are as follows:

- | | |
|----------------------------------|-------------------|
| • Freehold property | 20-50 years |
| • Leasehold buildings | over lease period |
| • Leasehold improvements | over lease period |
| • Plant and machinery | 5-10 years |
| • Office equipment | 5 years |
| • Fixtures and fittings | 5 years |
| • Computer hardware and software | 3-8 years |
| • Motor vehicles | 4 years |

Assets in the course of construction are not depreciated. Assets costing less than £1,000 are written off in the SOFA in the period of acquisition. Land is not depreciated.

Investments

Investments are stated at fair value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

Stocks

Stocks of goods for resale are primarily donated goods to the charity and therefore have no value in the accounts until they are sold. Thames Hospice does not have a stock recording system for donated goods. New goods purchased for resale by the subsidiary company are valued at the lower of cost and net realisable value.

Pensions Costs

The charity makes defined contribution payments into pension schemes on behalf of its employees. Contributions payable for the year are charged to the SOFA. The charity also participates in the NHS Superannuation Scheme, which provides benefits based upon final pensionable pay. The assets of the scheme are held separately from those of the Hospice and are independently administered. The fund is valued every 5 years by the Government Actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are charged to the hospice's SOFA in the period to which the salaries on which they are payable relate.

Operating leases

Rentals applicable to operating leases are charged in the SOFA over the period in which the cost is incurred.

Financial Instruments

Financial instruments (see also Note 21) are all considered to be cash convertible and are valued as follows:

Bank and cash balances – amount held at the balance sheet date

Debtors and creditors – settlement amount after discounts and payments in advance

Investments – market value at the balance sheet date

Critical Estimates and Judgements

In the process of applying the charity's accounting policies, management has made judgements, some of which have a significant effect on the amounts recognised in the financial statements. The key material assumption this year relates to the capitalisation of fees and other costs relating to the new hospice build which have all been capitalised as Assets Under Construction. They have not been depreciated and will be held in this asset category until the build has been completed and is occupied at which point all costs associated with the build including all future construction costs will be transferred to a depreciable asset category and depreciation commenced.

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

2 Donations and Legacies

	Un- restricted Funds £000	Restricted Funds £000	2020 £000	Un- restricted Funds £000	Restricted Funds £000	2019 £000
Community fundraising and committed giving	708	-	708	677	-	677
Donations and appeals	1,556	2,168	3,724	1,203	1,199	2,402
Legacies	1,157	457	1,614	1,392	420	1,812
	3,421	2,625	6,046	3,272	1,619	4,891

Legacies include amounts bequeathed to Thames Valley Hospice are passed on to Thames Hospice with the approval of the respective trustees. One legacy received in the year was restricted to the Capital Appeal for the new build.

3 Income from Charitable Activities

	Unrestricted funds 2020 £000	Unrestricted funds 2019 £000
Education and training	14	33
External service provision	1	3
Continuing health	208	316
Catering	21	23
CCG funding	3,223	3,112
	3,467	3,487

4 Income from Other Trading Activities

	Unrestricted funds 2020 £000	Unrestricted funds 2019 £000
Events	135	175
Lottery income	412	222
Sales of donated goods	1,935	1,791
Sales of new goods	248	244
	2,730	2,432

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

5 Investment Income

	Unrestricted funds 2020 £000	Unrestricted funds 2019 £000
Income from investments	289	481
Bank interest receivable	1	1
	290	482

6 Other Income

	Unrestricted funds 2020 £000	Unrestricted funds 2019 £000
Other income	94	64
	94	64

Other income during the year was largely the result of a pension rebate from the East Berkshire CCGs payable for Thames Hospice staff who are members of the NHS pension scheme.

7 Costs of Raising Funds and Charitable Activities

	Staff related costs £000	Premises £000	Other £000	Total 2020 £000	Total 2019 £000
Costs of Raising Funds					
Direct costs	2,272	991	1,018	4,281	3,600
Central services support costs - Note 8	438	181	247	866	792
	2,710	1,172	1,265	5,147	4,392
Costs of Charitable Activities					
Direct costs	3,810	6	570	4,386	4,448
Central services support costs - Note 8	437	181	247	865	956
	4,247	187	817	5,251	5,404

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

8 Central Services Support Costs

Our Central services support costs comprise the following:

	Unrestricted funds 2020	Unrestricted funds 2019
	£000	£000
Finance, including depreciation	622	628
Governance and Chief Executive costs	234	252
Information Technology	202	177
Human Resources	297	315
Facilities	376	376
	1,731	1,748

All costs are apportioned to either the costs of Raising Funds or Charitable Activities on the basis of the direct costs charged to each category. The result is shown in Note 7.

9 Employee information

The average number of persons employed by the group (including bank staff) during the period was as follows:-

	2020 No.	2019 No.
Fundraising	18	14
Management and administration	21	21
Retail	78	75
Direct patient care	137	137
	254	247

The average full time equivalent numbers of persons employed by the group during the period was as follows:-

	2020 No.	2019 No.
Fundraising	16	12
Management and administration	19	19
Retail	66	62
Direct patient care	97	96
	198	189

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

The aggregate payroll costs of these persons were as follows:-

	2020	2019
	£000	£000
Wages and salaries	5,940	5,556
Social security costs	517	486
Pension contributions (see note 24)	402	379
	6,859	6,421

Staff costs include “bank nurses”, whom the Hospice views as an essential staff resource. Also included is an amount for termination payments of £34k relating to eight members of staff whose employment was terminated during the year (2019: £1k, one member of staff). The majority of these staff were made redundant as a result of the move of our Home store and distribution centre.

The number of employees whose emoluments exceeded £60,000 was:	2020	2019
	No.	No.
£60,001 - £70,000	3	3
£70,001 - £80,000	2	1
£80,001 - £90,000	1	2

Pension contributions were made in respect of the above employees totalling £51k (2019: £48k). Four of the above staff are members of the SMT and two are on our medical team.

Our key management staff comprises our Board of Trustees, see page 53, and our Senior Management Team (SMT), see page 54. None of our trustees received any remuneration or expenses during the year (2019: nil). The aggregate staff costs of the SMT were £537k (2019: £602k) including national insurance and pension costs. The reduction this year is due to the reduction in size of the SMT which no longer includes a Medical Director.

Based on full time equivalent salaries for permanent staff, the multiplier from median to highest salary is 4.0 (2019: 4.0).

Although the trustees receive no remuneration for their services, Thames Hospice does procure indemnity insurance on their behalf through a Management Liability policy. The premium paid in the year was £2,373 (2019: £1,477).

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

10 Net Movement in Funds

	Group	Charity	Group	Charity
	2020	2020	2019	2019
	£000	£000	£000	£000
Net income is stated after charging:				
Depreciation	314	314	307	307
Auditor's remuneration:				
- As auditor (excluding VAT)	28	28	22	22
- Other services (VAT and corporation tax advice)	3	1	6	5
Operating lease charges on retail units and printers	724	724	567	567

11 Taxation

The parent company is a Registered Charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Thames Hospice Retail Limited is registered for VAT, and consequently all its income and expenditure is recorded net of VAT. Ordinarily, Thames Hospice Retail Limited gift aids all of its taxable profits to the charity, thereby resulting in no liability to corporation tax. For the year ended 31 March 2020 all profits were gift aided to Thames Hospice under deed of covenant so there was no profit chargeable to corporation tax within Thames Hospice Retail Limited (tax paid 2019: £1,931).

12 Net Result of Trading Subsidiary

The charity owns the whole of the ordinary share capital, consisting of 2 ordinary shares of £1 each, of Thames Hospice Retail Limited (Company number 2100844) which acts as agent under the HMRC gift aid scheme for goods donated to and sold by the charity. It also bought and sold a range of new goods, primarily accessories, small gifts and greetings cards. Ordinarily, the subsidiary distributes any taxable profits under gift aid to the charity each year. Its trading results, as extracted from the audited Financial Statements, are summarised below:

	2020	2019
	£000	£000
Turnover	1,065	926
Cost of sales	(142)	(133)
Gross profit	923	684
Administrative expenses	(906)	(772)
Profit on ordinary activities before taxation	17	21
Taxation paid	(2)	-
Distributed to charity holding company	(15)	(21)
Retained in subsidiary	-	-

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

The assets and liabilities of the trading subsidiary were:

	2020	2019
	£000	£000
Current assets	101	110
Creditors: amounts falling due within one year	(99)	(108)
Total net assets	2	2
Aggregate share capital and reserves	2	2

13 Tangible fixed assets

Group And Charity	Freehold property	Leasehold property	Machinery & Equipment	Fixtures & fittings	Computer equipment	Vehicles	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost								
1 April 2019	5,097	1,026	1,299	475	426	117	3,146	11,586
Additions	-	184	6	35	101	-	13,587	13,913
Disposals	-	-	-	-	-	-	-	-
Reclassification	-	-	37	(37)	-	-	-	-
31 March 2020	5,097	1,210	1,342	473	527	117	16,733	25,499
Depreciation								
1 April 2019	1,599	546	1,214	431	340	97	-	4,227
Charge for the year	107	91	43	11	53	9	-	314
31 March 2020	1,706	637	1,257	442	393	106	-	4,541
Net book value								
31 March 2020	3,391	574	85	31	133	11	16,733	20,958
31 March 2019	3,498	480	85	44	86	20	3,146	7,359

Assets under construction added during the year relate to construction costs of the new hospice and fees incurred (e.g. architect and engineering fees). In accordance with our accounting policy, they have not been depreciated.

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

14 Investments

	Group	Charity	Group	Charity
	2020	2020	2019	2019
	£000	£000	£000	£000
Securities and cash	3,106	3,106	14,294	14,294
Investment in group undertaking (see Note 12)	0	0	0	0
	3,106	3,106	14,294	14,294

Group and Charity securities and cash	2020	2019
	£000	£000
Assets brought forward at 1 April	14,294	14,327
Additions at cost	892	3,775
Movement in cash	(120)	(24)
Disposals	(11,852)	(4,177)
Realised and Unrealised investment gains/(losses)	(108)	393
Market value at 31 March	3,106	14,294

Investments comprise:-

Group and Charity	2020	2019
	£000	£000
Fixed interest securities:-		
- UK	1,627	4,069
Managed funds and unit trusts:-		
- UK	1,320	9,946
Cash on deposit	159	279
Market value at 31 March	3,106	14,294

15 Stocks

	Group	Charity	Group	Charity
	2020	2020	2019	2019
	£000	£000	£000	£000
Stock held for resale	79	-	73	-

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

16 Debtors

	Group 2020 £000	Charity 2020 £000	Group 2019 £000	Charity 2019 £000
Amounts due from subsidiary undertaking	-	95	-	90
Other debtors	675	655	603	577
Prepayments and accrued income	1,814	1,813	1,778	1,767
	2,489	2,563	2,381	2,434

17 Creditors: amounts falling due within one year

	Group 2020 £000	Charity 2020 £000	Group 2019 £000	Charity 2019 £000
Trade creditors	273	273	1,172	1,157
Amounts due to subsidiary undertaking	-	-	-	-
Other taxation and social security	131	130	120	120
Accruals and deferred income	1,792	1,789	555	552
	2,196	2,192	1,847	1,829

Deferred income

Income is deferred to the extent that it relates to an event or activity that occurs in a subsequent accounting period.

	Group 2020 £000	Charity 2020 £000	Group 2019 £000	Charity 2019 £000
Brought forward	330	330	76	76
Deferred in the year	537	537	330	330
Released in the year	(330)	(330)	(76)	(76)
Carried forward at 1 April	537	537	330	330

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

18 Funds

At 31 March 2020, funds are analysed as follows:

Unrestricted funds – Group	At 1 April 2019	Incoming Resources	Outgoing Resources	General Fund Transfers	At 31 March 2020
	£000	£000	£000	£000	£000
General Fund	10,446	10,002	(10,499)	-	9,949
Transfer to designated funds	-	-	-	(168)	(168)
Transfer from designated funds	-	-	-	10,801	10,801
Transfer from restricted funds	-	-	-	2,834	2,834
General Funds Total	10,446	10,002	(10,499)	13,467	23,416
Designated Project 25 Fund	12,000	-	-	-	12,000
Transfer from general fund	-	-	-	168	168
Transfer to general fund	-	-	-	(10,801)	(10,801)
Designated Funds Total	12,000	-	-	(10,633)	1,367
Unrestricted Funds Total	22,446	10,002	(10,499)	2,834	24,783

Unrestricted funds – Charity	At 1 April 2019	Incoming Resources	Outgoing Resources	General Fund Transfers	At 31 March 2020
	£000	£000	£000	£000	£000
General Fund	10,444	10,002	(10,499)	-	9,947
Transfer to designated funds	-	-	-	(168)	(168)
Transfer from designated funds	-	-	-	10,801	10,801
Transfer from restricted funds	-	-	-	2,834	2,834
General Funds Total	10,444	10,002	(10,499)	13,467	23,414
Designated Project 25 Fund	12,000	-	-	-	12,000
Transfer from general fund	-	-	-	168	168
Transfer to general fund	-	-	-	(10,801)	(10,801)
Designated Funds Total	12,000	-	-	(10,633)	1,367
Unrestricted Funds Total	22,444	10,002	(10,499)	2,834	24,781

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

The trustees have previously designated £12,000k of the group unrestricted funds for the new hospice at Bray (PT5). The designated funds have been reviewed by the Finance and Investment Committee and the Board. It has been agreed to designate a further £168k for the new build generated from fundraising activities during the year to March 2020. £10,801k has been spent out of the brought forward designated funds this year on the capital build.

The transfer from restricted funds into the general fund represents amounts donated to the capital appeal for the new build which have now been utilised in the construction of our new hospice. This amount is included in the additions of Assets Under Construction in Note 13 and brings the total spent out of restricted funds to £4,190k.

Comparative figures for 31 March 2019 are analysed as follows:

Unrestricted funds – Group	At 1 April 2018	Incoming Resources	Outgoing Resources	General Fund Transfers	At 31 March 2019
	£000	£000	£000	£000	£000
General Fund	10,078	10,130	(9,767)	-	10,441
Transfer to designated funds	-	-	-	(1,400)	(1,400)
Transfer from restricted funds	-	-	-	1,405	1,405
General Funds Total	10,078	10,130	(9,767)	5	10,446
Designated Funds:					
Project Twenty Five (PT5) Fund	10,600	-	-	1,400	12,000
IT Development Fund	8	-	(8)	-	-
Designated Funds Total	10,608	-	(8)	1,400	12,000
Unrestricted Funds Total	20,686	10,130	(9,775)	1,405	22,446

Unrestricted funds – Charity	At 1 April 2018	Incoming Resources	Outgoing Resources	General Fund Transfers	At 31 March 2019
	£000	£000	£000	£000	£000
General Fund	10,076	10,130	(9,767)	-	10,439
Transfer to designated funds	-	-	-	(1,400)	(1,400)
Transfer from restricted funds	-	-	-	1,405	1,405
General Funds Total	10,076	10,130	(9,767)	5	10,444
Designated Funds:					
Project Twenty Five (PT5) Fund	10,600	-	-	1,400	12,000
IT Development Fund	8	-	(8)	-	-
Designated Funds Total	10,608	-	(8)	1,400	12,000
Unrestricted Funds Total	20,684	10,130	(9,775)	1,405	22,444

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

Restricted funds – Group & Charity	2020	2019
	£000	£000
At 1 April	503	310
Net movement in funds	(216)	193
At 31 March	287	503

The net movement in restricted funds during 2019/20 is analysed as follows:

	At 1 April	Incoming	Outgoing	To General	At 31 March
	2019	Resources	Resources	Fund Fixed	2020
	£000	£000	£000	Assets	£000
				£000	
Patient Support Fund	3	-	(2)	-	1
Clinical Funds for equipment etc.	70	51	(5)	(5)	111
Comfort Appeal	64	-	-	(34)	30
PT5 New Build Capital Appeal	366	2,574	-	(2,795)	145
	503	2,625	(7)	(2,834)	287

Comparative figures for 31 March 2019 are analysed as follows:

	At 1 April	Incoming	Outgoing	To General	At 31 March
	2018	Resources	Resources	Fund Fixed	2019
	£000	£000	£000	Assets	£000
				£000	
Patient Support Fund	4	-	(1)	-	3
Clinical Funds for equipment etc.	11	79	(20)	-	70
Comfort Appeal	38	36	-	(10)	64
PT5 New Build Capital Appeal	257	1,504	-	(1,395)	366
	310	1,619	(21)	(1,405)	503

The Patient Support Fund represents a donation made to support Day Therapy Unit patients. This is used to purchase items for therapy sessions such as craft materials and also to help fund patient transport costs.

The Clinical Funds and Comfort Appeal Fund represent donations for clinical training, equipment and supplies. Some of these funds have been used in the year to purchase much needed equipment and specialist furniture for our existing hospice and we will use some of the remaining funds to purchase items for our new hospice in Bray.

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

The Capital Appeal was launched in 2017/18 to raise funds for the new hospice building. During the year £2,574k was received (2019: £1,504k) which was restricted to the costs of the new build. The transfers during the year relate to capital expenditure on the build which started on site in January 2019 and is expected to complete in the autumn of 2020.

Transfers to the General Fund relate to restricted funds used to purchase capital items. During 2019/20 the majority of the capital spend transferred was on the new build, now held within Assets Under Construction, see Note 13.

19 Analysis of Net Assets between Funds

	Unrestricted funds £000	Restricted funds £000	Total 2020 £000	Unrestricted funds £000	Restricted funds £000	Total 2019 £000
Fixed assets	24,064	-	24,064	21,653	-	21,653
Current assets	2,915	287	3,202	2,640	503	3,143
Creditors falling due within one year	(2,196)	-	(2,196)	(1,847)	-	(1,847)
	24,783	287	25,070	22,446	503	22,949

20 Reconciliation of Operating Profit to Net Cash provided by Continuing Operating Activities

	2020 £000	2019 £000
Net income for the year	2,121	1,953
Depreciation on tangible fixed assets	314	307
Losses/(Gains) on investments	108	(393)
Investment income	(290)	(481)
Loss on disposal of tangible fixed assets	-	1
(Increase) in stock including stock write offs	(6)	(11)
(Increase) in debtors	(108)	(464)
Increase in creditors	349	981
Net cash provided by continuing operating activities	2,488	1,893

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

Analysis of changes in Net Debt

	2020	2019
	£000	£000
Cash at bank as at 1 April	689	597
Cash flows during the year	(55)	92
Cash at bank as at 31 March	634	689

21 Financial Instruments

	Group	Charity	Group	Charity
	2020	2020	2019	2019
	£000	£000	£000	£000
Financial assets/(liabilities) measured at amortised cost:				
Cash at bank and in hand	634	633	689	689
Debtors	2,489	2,563	2,381	2,434
Creditors	(2,196)	(2,192)	(1,847)	(1,829)
Financial assets included at fair value:				
Investments	3,106	3,106	14,294	14,294

22 Financial Commitments

At 31 March 2020, Thames Hospice had financial commitments under non-cancellable operating leases as follows:

	2020	2019
	Land and Buildings	Land and buildings
	£000	£000
Due within one year	729	642
Due within two to five years	1,874	1,418
Due in more than five years	-	-
Total financial commitments	2,603	2,060

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

23 Related Party Transactions

The trustees of Thames Hospice do not receive any remuneration and have not claimed any expenses during the year. During the year 10 trustees and their close family donated a total of £5,860 (2019: £8,938) to the charity. The donations were a mixture of one-off capital and revenue donations, lottery membership and event sponsorship. We also paid £150 for one trustee to attend a course run by Hospice UK during the year.

Thames Hospice Retail Limited

The charity has a wholly owned trading subsidiary, Thames Hospice Retail Limited. During the year there have been intercompany transactions between the two entities: Charged by the charity to the subsidiary - charges per the trading agreement in place for use of name and 3% of turnover, a proportion of the running costs of the charity retail division and an overhead recharge. The total of these transactions was £934k (2019: £796k). Charged by the subsidiary to the charity - commission on gift aided sales and a donor procurement charge. These totalled £817k (2019: £683k). At the year end a balance of £85k was owed by the subsidiary to the charity (2019: £90k). See also Note 16.

Thames Valley Hospice

Thames Valley Hospice is a charity under the control of the Thames Hospice trustees. All the assets, liabilities and operations of the charity were transferred to Thames Hospice with an effective date of 1 April 2005. The sole objective of the charity is to receive legacy income and other donations from future benefactors who have specified Thames Valley Hospice as a beneficiary in their wills. All legacies received by the charity are passed on to Thames Hospice. In the year ended 31 March 2020, legacies totalling £nil (2019: £10,000) were received and passed on.

There have been no other related party transactions during the year.

24 Pension Commitments

The charity employees participate in two schemes:-

Defined Contribution Scheme

Thames Hospice participates in a defined contribution pension plan with Scottish Widows. The total pension cost for the period for the charity charged to the SOFA in respect of this scheme was £177k (2019: £152k).

The NHS Superannuation Scheme

For qualifying Thames Hospice staff, participation in the NHS scheme provides benefits based upon final pensionable pay. However, the contributions paid by the charity in respect of the NHS Superannuation scheme are accounted for as if the scheme were a defined contribution scheme as the charity is unable to identify its share of the underlying assets and liabilities in the scheme.

The total pension cost for the period for Thames Hospice was £225k (2019: £227k). The Government Actuary using the Projected Unit Method determines contributions charged to the SOFA.

The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State in England and Wales. As a consequence it is not possible for Thames Hospice to identify its share of the assets and liabilities of the underlying scheme.

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

Accounting valuation:

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2020 is based on valuation data as at 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

Full actuarial valuation:

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers. The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

25 Capital commitments

The charity had commitments under contracts relating to the new build at Bray outstanding as at 31 March 2020 amounting in total to £3.4m (2019: £17.1m). This total is comprised of the contract value with the building contractors, net of amounts already invoiced, and fees due to the design team under contracts relating to the build. These amounts will be transacted over the remaining period of the build, due to complete in October 2020 plus the retention period.

26 Controlling Party

No one party has control of the charity and its subsidiary.

THAMES HOSPICE
ADMINISTRATIVE DETAILS
for the year ended 31 March 2020

Legal and Administrative Information

Charity Name:	Thames Hospice
Charity Registration Number:	1108298
Company Registration Number:	5316964
Registered and Principal Office:	Pine Lodge Hatch Lane Windsor SL4 3RW
Independent Auditors:	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers:	NatWest Bank plc 12 High Street Windsor SL4 1LD
Investment Managers:	Investec Wealth & Investment Management Ltd 30 Gresham Street London EC2V 7QN

Our Board of Trustees:

Mr Jonathan Jones (Chair)
Mr Christopher Aitken (Deputy Chair)
Mrs Jacinta Ashworth
Mr Ken Coppock
Mr Stephen Moore
Ms Margaret Neal
Mr Craig Linton
Mrs Lesley Rudd (to 5 December 2019)
Mr Bruce Montgomery
Mr Andy Ka
Dr Judith Kinder
Mr Ishfaq Is-haq (to 8 July 2020)
Mrs Catherine McLaughlin (from 12 March 2020)
Miss Janet King (from 11 June 2020)

THAMES HOSPICE
ADMINISTRATIVE DETAILS
for the year ended 31 March 2020



Our trustees

Our Senior Management Team are:

Mrs Debbie Raven
Ms Ruth Bartholomew
Mrs Jackie Geeson
Ms Lisa Church
Mrs Julie Rowley
Mrs Sarah Bissell
Ms Jacquie Batchford
Ms Jita Das

Chief Executive
Finance Director & Company Secretary
Director of Human Resources
Director of Nursing & Family Services
Director of Retail
Director of Fundraising and Marketing
Acting Director of Education and Innovation
Medical Director

Thames hospice

Quality of life, to the end of life