

Thames hospice

ANNUAL REPORT AND ACCOUNTS

for the year ended 31 March 2021

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 2021

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Trustees' Report

The Trustees are pleased to present their annual report together with the Financial Statements for the year ended 31 March 2021, 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 2021



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 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 half of the income we need to run our Hospice.

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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.

Ambition Our desire and determination to succeed in meeting the growing needs of our local community.

Respect We believe in treating everyone with dignity and respect.

Excellence We are committed to delivering and demonstrating excellence and quality in everything we do.

THAMES HOSPICE
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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 2020/21.

What a year this has been! Nobody could have predicted the challenges we faced, but we have managed them well and you will note from this report, we finished the year in a strong position despite everything thrown at us.

We're absolutely delighted to have moved into our new Hospice at Bray in October 2020. This is a huge achievement and milestone for Thames Hospice and marks the beginning of a new era. We now have the facilities to develop our services even further to meet the ever increasing needs of those we serve in the community and look forward to many years in our new home.

Our new facilities have also helped us to care for more people during the pandemic because of the lay out of the building. Having all single rooms helps with infection control which is critical, especially during Covid 19 and our decision to have piped oxygen has paid dividends in terms of us being able to meet the needs of those suffering from Covid 19 and helping them to breathe more easily. We didn't have a crystal ball when we designed the new Hospice but many of the facilities we have been able to invest in because of the support of our community have really helped us to care for more people who need us and support our hospital colleagues.

Like all charities this year, our ability to fundraise from large events was seriously compromised and our stores were closed but we responded swiftly and ensured that we were well placed to work alongside our health care partners to meet the increased demands of our community. Because of this, we have benefitted from significant government support which has compensated for the challenges we faced, especially in retail. Our stores have bounced in and out of lockdown and we look forward to the coming year with sustained opening and our retail colleagues back in the workplace for good.

2020/21 has required us to be agile and reactive to an ever changing situation which, we've achieved successfully but, it has hampered our ability for longer term, more strategic planning. We have learnt how to manage during a pandemic and have changed our services, moved staff to where they're most needed and expanded many areas of our clinical care in response to changing needs, but it is now time to look ahead more strategically, using the opportunities offered to us in our wonderful new Hospice.

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We reached the end of our 5-year strategy in April 2021 and because of the pandemic, postponed our planned strategy day in November 2020 to a time when we had a clearer view of the future. We believe that time has now come and with renewed confidence and optimism we looked forward to developing our new 3-year strategy in July. We will be working closely with our staff, volunteers and community in devising a strategy which ensures that we maximise our new facilities to support those who have so readily supported us throughout this most challenging of years.

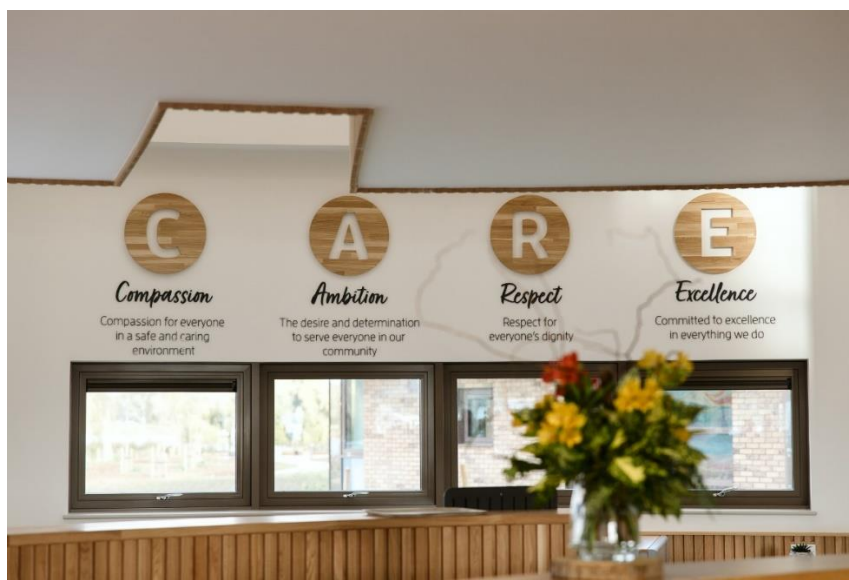
Thank you for reading this report; if you have any questions please don't hesitate to contact CEO, Debbie Raven (debbie.raven@thameshospice.org.uk) or our Finance Director, Tracey Talbot (tracey.talbot@thameshospice.org.uk)



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 20-25.

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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 has been brought into sharp focus during the last year due to 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, despite the Covid-19 situation, we managed to complete our new hospice building and move into it in October 2020. This has enabled us to increase the services we provide to the public by expanding our Inpatient Unit to 28 beds; a move supported by our local East Berkshire Clinical Commissioning Groups (CCGs) who recognise the need for our services grows year on year. We have maintained our services in the community, expanding that provision in some circumstances due to Covid-19 which in some cases limited availability of beds or other hospital or hospice service provision.

In common with many other providers, some of our services were adapted to support our community, in particular our counselling services which were provided additionally online or by telephone. Other services had to be temporarily suspended, such as our day hospice services but we kept in touch with our patients in other ways, particularly to ensure support was continually provided for the most vulnerable.

Our NHS commissioners provide us with funding for around a half of our patient related costs, the remainder being met through our Fundraising and Retail activities and our investment income. This year we were fortunate to receive support from central and local government to help us through the Covid-19 crisis. We received NHS funds negotiated and distributed by our umbrella body Hospice UK, we received Job Retention Scheme payments for our furloughed employees from HMRC and we applied for and received local authority grants to assist our network of charity shops that spent much of the year closed due to lockdown restrictions.

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All of this enabled us to keep our usual services going whilst also providing support to our local NHS during the crisis and also keeping jobs for our valuable staff.

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

- 28 bedded Inpatient Unit (IPU) at Thames Hospice in Bray.
- Day Therapy Unit for both outpatients and inpatients; we are increasing our provision of day services now that we are able to open more fully at Bray and will be open for five days each week.
- Physiotherapy, occupational therapy and lymphoedema treatments.
- In patients' homes and also via 24-hour telephone support through our Palliative Care Response Team.
- Counselling, psychological and spiritual support to patients and their loved ones.

Environmental Reporting

Under the Energy and Carbon Reporting Regulations 2018 Thames Hospice is required to report on the environmental impacts of the organisation. The key environmental impacts for the hospice are electricity and gas usage in both the hospice and our retail stores, the use of three vans owned by the hospice for the collection of donated goods and distribution of goods amongst our retail stores and the use of two leased vans by our maintenance workers. Energy usage has been calculated using opening and closing meter readings for stores and the hospice. Opening and closing mileage readings have been used for the vans.

UK Greenhouse gas emissions and energy use data for the period 1 April 2020 to 31 March 2021

	2020/21
Energy consumption used to calculate emissions (KwHs)	359,506
Energy consumption breakdown kWh	
Gas usage	76,625
Electricity usage	282,881
Energy consumption used to calculate emissions (KM)	
Transport	35,052
<i>Scope 1 Emissions in metric tonnes CO2e</i>	
Gas Consumption	14,089
Owned transport	2,571
Electricity usage	65,951
<i>Intensity Ratios</i>	
Hospice emissions per FTE	147
Retail emissions per shop	2,780

There are no comparative figures as they would not reflect a fair comparison due to the move to a new, larger hospice site in October.

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Trustees' duty to promote the success of the Charity – Section 172 statement

Trustees have a duty to promote the success of the Charity and, in doing so, are required by section 172(1) of the Companies Act 2006 to have regard to various specific factors.

Thames Hospice depends on the trust and confidence of its stakeholders to operate sustainably in the long term. Patients and their families and friends are at the heart of our care; but supporting and developing our staff and volunteers and extending our reach into the community we serve are central to our mission.

The Directors of Thames Hospice have acted in accordance with their duties codified in law, which includes their duty to act in the way they consider, in good faith, would be most likely to promote the success of the organisation for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

This Annual Report sets out how we engage with our health and social care stakeholders, such as healthcare professionals, patients and their families. This can be seen in the sections that cover our service performance and how our strategic objectives in 2020/21 we met. Engaging with our local community through fundraising, volunteering and employment is vital to our work. We have over 600 volunteers who regularly give their time to support the charity.

The Charity ensures that it maintains a reputation for high standards of business conduct by having in place a range of policies and processes that promote corporate responsibility and ethical behaviour. Areas covered include: fundraising, gifts; safeguarding; bullying and harassment; and whistleblowing. All these policies are reviewed periodically. We also have dedicated leads for safeguarding and whistleblowing within the Executive Team and the Board of Trustees

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, despite a three month delay due to Covid lockdown restrictions on site, we moved into our new facility in Bray in October 2020. We were unable to open all of our services initially but we are now fully operational and looking forward to providing our expanded services to the community. Our beautiful new buildings 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.

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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 providing greater levels of support to more people in need from our new site at Bray.

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 2020/21 we admitted 354 (2020: 315) patients to our inpatient unit which ran at our maximum target of 85% (2020: 85%). Also this year our Rapid Response team made 3,996 visits in the community (2020: 2,262) and delivered 10,193 (2020: 10,071) 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.



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Key achievements in 2020/21

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.

We are proud to note that we kept our services operating where possible and completed our new hospice build, moving into the new premises in October 2020.

Our priorities for the year 2020/21 were based on the Year Five objectives from our Five Year Strategy as detailed on Page 6.

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

- 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.
 - During the year we continued to monitor and progress the new build at Bray despite challenges presented to us by the Covid-19 pandemic. This forced some delay to the build but we were still able to complete and move in during October 2020.
 - Work continued on the review of the build and we have progressed any snagging and defects promptly and efficiently with our contractors Andrew Scott Limited whose support has been constant and invaluable.
 - The project was completed 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.
 - Cash management was a priority during the year with regard to the new build but also because of the effects of the pandemic on our ability to generate funds in line with usual business model.
 - We have successfully steered our way through the demands of the year, enabling the completion of the capital project and ensuring funds were available to meet operational needs.
- To complete the sale of Pine Lodge after transition and effect the repayment of our short term loan from the proceeds, reinvesting any surplus.
 - The sale of Pine Lodge was dependent on the granting of planning permission to our purchasers, Beechcroft Developments Limited. This was awarded to them in April 2021 so the completion of the sale took place on 30 June 2021.
 - Our bankers, NatWest, have been extremely supportive and extended our short term loan to allow for this delay. The loan was repaid on 30 June 2021 from the proceeds of the Pine Lodge sale.

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- To ensure that transition to Bray is efficient and well managed, including staff and volunteer recruitment, removals, communications and training.
 - The transition to Bray was completed efficiently and with as little disruption to patient care as possible.
 - The pandemic brought with it some additional challenges for the transition team but we were assisted by our removal company Edward Baden and many of the staff and volunteers who worked tirelessly to make it happen.
- To negotiate and confirm our new contract with the CCGs for the expanded range of services provided out of Bray.
 - We agreed new contract terms during the year with our CCGs and new contracts were in place in time for the move to Bray.
- To consolidate our retail position, opening no new shops but expanding our online facilities.
 - One effect of the pandemic was the enforced closure of our shops at various times during the year. The retail team responded with characteristic determination and, whilst we had to furlough most staff, those remaining took the opportunity to improve and enhance our online offering of both eBay and a new online shop, Shop No. 23. The success of this will be built on in the new year.
- To grow fundraising income through all sources as we move from the capital appeal phase to re-focus on sustainability.
 - The pandemic affected our ability to raise funds during the year and we were unable to proceed with our plans to re-focus fundraising as we would have liked, although we did run a successful Covid-19 emergency appeal. In the coming year we will be re-assessing the fundraising landscape in the wake of the pandemic and the longer term effects on e.g. events.



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Thank you

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

In particular, in this most challenging year, we are very grateful for the continued support of the community who have helped the hospice in so many ways whether through donations, attending virtual events, gifts for the staff and so much more.

We would also like to express our thanks to those who helped us to complete our beautiful new hospice building despite the restrictions and operational obstacles which resulted from the pandemic. In particular, we would like to mention our contractors Andrew Scott Limited who, along with the wider design team, worked tirelessly through the difficult circumstances to finish the hospice build for us and the community.

Key objectives for 2021/22

We have now come to the end of our Five Year Strategy for 2016 to 2021. It was the trustees' intention to have a new Three Year Strategy to take us into 2021/22 and beyond but this has not been possible due to the Covid-19 crisis. Our strategies and the more detailed annual objectives and targets are debated and agreed at a strategy day for the Senior Leadership Team made up of our trustees and the senior management team (SMT). It has not been possible to hold this day in time for the start of the new financial year due to the restrictions imposed by the Covid pandemic. We consider that it is too important a day to compromise and the trustees feel that they need to be able to meet in person to have the required debate and discussion with the SMT. Therefore this took place in July of 2021 and the results will be published after agreement and used to guide our work from the half year point in October.



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We have, therefore, extended our current Strategic Plan for a further six months and would highlight the following as being our main objectives for the first half of the new financial year:

- To reopen all patient services as Covid-19 restrictions are gradually lifted and to therefore begin to fully utilise our new building.
- To develop and review all patient services to ensure we are providing care in the most effective way in our new facility.
- To examine all possibilities for potential new services needed by our community that we might be able to help provide.
- To monitor the new hospice build through to the end of the guarantee period in October with our contractors to ensure that we are following up any defects and snagging issues within the allotted time period.
- To complete the sale of our old site, Pine Lodge, and effect the repayment of our short term loan provided by NatWest from the proceeds, reinvesting any surplus.
- To review and monitor cash flow as we come out of the period of the new capital build and the effects of the Covid pandemic, focussing on sustainability and rebuilding our reserves.
- To develop ways to increase fundraising income through all sources as we move out of Covid-19 restrictions, reappraising events and appeals.
- To reopen all of our shops safely and to develop our online retail platform.

Associated risk

We identify and monitor risk through our risk management process (see page 22). 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 our new strategy will be examined when the work is completed on that during the first half of the year.

The above short term targets and opportunities all have associated risks, the most significant of which are:

- A further wave of the Covid-19 virus may impede the re-establishment and development of services.

This is an unknown which cannot be avoided; however, we have been here before now and would be able to manage the issues effectively.

- Completion of the sale of Pine Lodge was further delayed until 30 June 2021, resulting in additional interest costs and administrative costs for the charity.

Since the financial year end, the planning permission for Pine Lodge was granted and the loan was repaid on 30 June 2021 when the sale completed.

- A defect in the new build comes to light restricting our ability to provide the contracted and committed services to the community.

In mitigation of this, we have reached a point in the defects period when the majority of facilities in the new build have been used and tested so we believe that anything of a serious nature would have been brought to light already. But we continue to monitor the building carefully and are in regular contact with our contractors who are resolving any issues as speedily as possible.

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Financial Review

Review of the year 2020/21

Despite the challenges of the year, performance this year with regard to our financial position on the general fund is very positive with a surplus of £881k (2020: loss £497k). We have made an overall surplus on the SOFA (Statement of Financial Activities, see page 35) in the year of £1,883k (2020: £2,121k) including restricted fund income to our capital appeal for the new hospice of £947k (2020: £2,574k). 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, due to the challenges of Covid-19, donations and legacies income reduced to £3,878k from £6,046k. Our Urgent Covid-19 appeal generated an unprecedented £277k at the start of the year. In Memory and Unsolicited donations increased again this year, due largely to the continuation of our heightened service presence in the community, bringing in £458k (2020: £411k).

On top of this, our capital appeal received receipts totalling £947k (2020: £2,574k) towards our overall target of £6million.

The total legacy income at £620k was all credited to revenue funding. Last year the legacy income was split between the capital appeal (£457k) and revenue funding (£1,157k).

Raising Funds: Charitable Activities

Our charitable activities income has increased in comparison to last year totalling £4,303k (2020: £3,467k). The income is received largely from the East Berkshire CCGs. Our core grant increased this year with a new contract coming into effect from October 2020, to reflect the increase of our services resulting from the move to Bray.

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Raising Funds: Other Trading Activities

This category of income decreased this year to £1,955k (2020: £2,730k). From a fundraising point of view this was largely due to the events which only generated £111k versus last year's total of £134k. We were unable to hold our usual events due to Covid-19 restrictions, but ran virtual events instead.

The retail division had an incredibly difficult year with our shops being closed for 8 months due to the pandemic. This meant their performance was significantly down on last year's performance for sales of donated and new goods. In total they brought in £1,260k this year versus £2,183k in 2019/20. The shops traded when they were able to and performance during these limited times was positive.

Raising Funds: Investment and Other Income

Investment Income is significantly down again on last year at £93k (2020: £290k). This is as a result of us having drawn down on our investment portfolio over the course of the new build project to help fund costs as planned.

Other income was £2,663k versus last year's £94k. This year includes £1,439k of Hospice UK grant income. This was income provided by the Government, but distributed by Hospice UK and was to enable hospices to continue caring for patients and respond to the Covid-19 emergency. It also includes £547k 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 our shops being unable to trade for 8 months of the year. There is also £676k of local authority grants for non-essential retail, received to help mitigate the loss of income due to the closure of our shops.

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Expenditure: Raising Funds

Direct costs of raising funds have decreased to £3,849k this year (2020: £4,281k). This is due to several factors; in Fundraising this includes the much lower costs of running our capital appeal, which was being met out of general funds. As the capital appeal entered its final months, there were significantly lower running costs. For retail this includes the effect of our shops being closed for most of the year.

Expenditure: Charitable Activities

Direct costs of charitable activities have increased £640k to £5,026k this year (2020: £4,386k). This increase is as a result of moving to a larger facility and increasing our services, which has meant an increase in both staff numbers and running costs.

Expenditure: Central Services Support Costs

Our central support costs increased this year by £537k to £2,268k (2020: £1,731k), again as a result of our move to Bray. There was not one individual reason for the increase, it was the result of small variances across most corporate teams.

Investment gains and losses:

Our investments had a positive year gaining £201k over the course of the year (2020: loss of £108k). Our investment portfolio had been significantly reduced though due to planned drawdowns to help fund the new build. Investment management fees have remained consistent with last year in line with the drawdown of our investment portfolio totalling £25k (2020: £25k).

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The Balance Sheet

The balance sheet has remained overall reasonably consistent with last year's figures. The main changes over last year's figures are the substantial movement in current assets and the increase in creditors.

Reserves

At the year end the total funds in the group stood at £26,958k (2020: £25,070k). Of this, restricted funds totalled £340k (2020: £287k) and general funds £26,617k (2020: £23,416k). There are no designated funds, as the £1,367k from 2020 designated for the build project has been transferred back to the general fund. The funds are analysed further in Notes 18 and 19 to the accounts and our Reserves Policy detailed below.

Reserves policy and going concern

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 long term 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 and within that our free reserves by reviewing these projections and ensuring that potential deficit years would be covered. 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 2020/21 and have determined that it is fit for purpose and that reserves are adequate in accordance with the provisions of the policy.

In previous years we have set aside designated funds for the completion of the new build project. Initially £10 million was set aside and this was increased in 2016/17 by designating the net funds received from the surrender of 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 and 2020/21 we have used the majority of this fund and then undesignated any balance back to general reserve.

The long term financial projections for the charity, including the expansion of services following completion of the new build 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:

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	£m
Fixed assets	25.6
Designated reserve for capital project	-
Restricted reserves	0.3
Free reserves	<u>1.0</u>
Total reserves	<u>26.9</u>

The free reserve currently sits below the target of £5 million. The sale of Pine Lodge completed on 30 June and we were able to use £2m from the sale proceeds to help rebuild our reserves. The trustees have approved this as it is within an acceptable range of the target and hope to increase the reserve further over the coming years to bring it back up to the desired level.

Income received into the capital appeal has been ring fenced in the restricted reserves to be used exclusively on the new build. We have a balance remaining of £0.3m which will be used to pay the final retention fees on the project in October 2021.

The Trustees have reviewed the financial position of the Charity and its subsidiaries, its forecast cash flows and its liquidity position for the foreseeable future. The Trustees believe that the Charity has adequate resources to continue in operational existence for the foreseeable future. As a result, they continue to adopt the going concern basis of accounting in preparing the annual report and accounts.

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 £0.8m (2020: £11m) from our investment portfolio to help fund the new hospice build programme.

During the build period, we suspended the normal policy constraints to enable Investec to move our funds more easily which facilitated draw down whilst minimising risk of losses to the charity on sale of investments held.

Following completion of the new build, the trustees began a review of our investment policy with a view to revising the benchmark asset allocation and removing the requirement to keep a low risk portfolio which had been required to safeguard as far as possible the funds for the new build. This review resulted in a series of changes to the policy which were agreed at the meeting of the Board of Trustees in March 2021.

The main changes related to the revised asset allocation and the increased percentage in particular that we would invest in equities, both UK and Overseas. The revision puts the hospice into a higher risk category according to Investec's own classification but this is solely relating to the amounts of investment classes held rather than the nature of them.

The Board upheld the decision to retain our exclusions from investment in any tobacco related organisations.

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for the year ended 31 March 2021

At 31 March 2021 the revised policy benchmark and actual asset allocation stood at:

	Previous Policy	Revised Policy	Actual at 31 March 2021
Fixed Interest	25-45%	10-30%	33.8%
Equities	35-55%	70-80%	36.7%
Property	4-8%	0-10%	7.1%
Alternatives incl.	0-8%	0-10%	12.9%
Infrastructure			
Cash	0-20%	0-10%	9.5%

The Board agreed that Investec should be authorised to move towards the new benchmark holdings over a period of six months to enable this to happen effectively and with as little risk of disposal losses as possible.

The total return performance for the 2020/21 year was 9.7% against a benchmark of 7.5% marking a strong performance for the much reduced portfolio. See also Note 14.

The realised and unrealised gains on our investments in the year totalled £201k (2020: loss of £108k). Investment income again fell significantly during the year to £93k (2020: £290k) 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 now that the build is complete.

The bond portfolio was merged into the main portfolio during the year as we agreed that there would be no further requirement for the more readily available cash following completion of the new build.

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 2020/21 financial year show a profit of £2k (2020 £15k). 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.

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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 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 revised the values during 2020/21 to reduce the number to four as seen on page 3. The Board will be setting a new three-year strategic plan in the summer of 2021; this has been delayed due to Covid-19 restrictions.

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 2019/20 and the SLT were pleased to note the good report. Further external review will be commissioned as required by the Board. As a result of the previous review, the trustees put certain measures in place included freeing up time on the Board agenda for strategic discussions and completing a trustee skills matrix to better inform future trustee appointments. The latter has proved beneficial and informed the recruitment of trustees during 2020/21.

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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; this committee has now had its final meeting). 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.

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 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.

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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 long term 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.

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.

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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 60.

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 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.

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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.

During the year we received 2 (2020: 2) clinical complaints (one a larger NHS managed complaint), 21 (2020: 10) fundraising and 10 (2020: 16) 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 use 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.

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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.

The Charity operates under a Memorandum and Articles, a full review of which was carried out in 2020 by our legal advisors.

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

Thames Valley Hospice was closed on 24 March 2021 and the Paul Bevan Cancer Foundation remains as a dormant charity at the financial year end.

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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. Our NHS grants contributed £3,013k to the running costs of the hospice representing 40% of costs excluding income generation (2020: £1,634k was 26%). The large increase in grant income is attributable to the new NHS grant contract that commenced in October 2020, as a result of the increased service provision on moving to the new site in Bray. 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.



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 61.

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.

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

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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.

During 2020/21 no one was left untouched by the pandemic and the staff and volunteers of Thames Hospice have had to be resourceful and resilient to ensure that we met our commitments to our community. The senior management team would like to thank each and every one of them for their contribution in this most challenging year.



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

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for the year ended 31 March 2021

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 and invitations to tea with SMT.

Valuing our volunteers

The charity benefits from the support of around 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 helping to staff our reception desks. Qualified counsellors also volunteer in the Hospice, providing professional counselling support to patients and families.

As at 31 March 2021 we had 596 volunteers working in a variety of roles in the charity. To date we have presented 169 volunteers with long service certificates for between 10 and 30 years service and 229 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, although much of this has not been possible this year. 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. Their contribution to the charity is immense and we are most grateful to them for their hard work and commitment to Thames Hospice. It has been especially difficult during this last year for many of them due to Covid-19 restrictions and shielding. We have been humbled by their determination and resilience.

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for the year ended 31 March 2021

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 and telephone 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 21 complaints (2020: 10) which were all dealt with in-house; none were reportable to the regulator.



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for the year ended 31 March 2021

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. We also recycle batteries and toner cartridges.

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. 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.

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TRUSTEES' REPORT
for the year ended 31 March 2021

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 9 September 2021 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 2021

Opinion

We have audited the financial statements of Thames Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group statement of financial activities, the group and charity balance sheets, the group cash flow statement and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2021 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 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

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

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

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

THAMES HOSPICE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES

for the year ended 31 March 2021

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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

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' 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' 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 their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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:

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

THAMES HOSPICE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES

for the year ended 31 March 2021

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 31, the trustees (who are also the directors of the parent 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.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

THAMES HOSPICE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES

for the year ended 31 March 2021

Further the group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the group's operations. We identified the most significant laws and regulations to be those issued by the Care Quality Commission covering health care services and those issued by the Gambling Commission covering the requirements for running a lottery.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

THAMES HOSPICE
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES
for the year ended 31 March 2021

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed

.....
Liz Hazell (Senior Statutory Auditor)
For an on behalf of Saffery Champness LLP

Chartered Accountants	71 Queen Victoria Street
Statutory Auditors	London
	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 2021

		Un- restricted Funds	Restricted Funds	Total 2021	Un- restricted Funds	Restricted Funds	Total 2020
	Note	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies	2	2,875	1,003	3,878	3,421	2,625	6,046
Charitable activities	3	4,227	-	4,227	3,467	-	3,467
Other trading activities	4	1,955	-	1,955	2,730	-	2,730
Investment income	5	93	-	93	290	-	290
Other income	6	2,882	-	2,882	94	-	94
Total Income		12,032	1,003	13,035	10,002	2,625	12,627
Expenditure on:							
Raising funds	7	4,902	-	4,902	5,147	-	5,147
Charitable Activities	7	6,346	1	6,347	5,244	7	5,251
Total Expenditure		11,248	1	11,249	10,391	7	10,398
Net income/(expenditure) before investment gains/(losses)		784	1,002	1,786	(389)	2,618	2,229
Net gains/(losses) on investments		201	-	201	(108)	-	(108)
Net income		985	1,002	1,987	(497)	2,618	2,121
Transfers between funds	18	949	(949)	-	2,834	(2,834)	-
Net Movement in Funds	10	1,934	53	1,987	2,337	(216)	2,121
Reconciliation of Funds:							
Total funds brought forward	18	24,783	287	25,070	22,446	503	22,949
Total funds carried forward		26,717	340	27,057	24,783	287	25,070

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 41 to 59 form part of these financial statements.

THAMES HOSPICE
BALANCE SHEETS
as at 31 March 2021

Registered Company No: 5316964

		Group	Charity	Group	Charity
	Note	2021	2021	2020	2020
		£000	£000	£000	£000
Fixed assets					
Tangible assets	13	22,625	22,625	20,958	20,958
Investments	14	2,997	2,997	3,106	3,106
		25,622	25,622	24,064	24,064
Current assets					
Asset held for sale	13	3,085	3,085	-	-
Stocks	15	111	-	79	-
Debtors	16	2,719	2,850	2,489	2,563
Cash at bank and in hand		687	661	634	633
		6,602	6,596	3,202	3,196
Creditors: amounts falling due within one year	17	(5,167)	(5,163)	(2,196)	(2,192)
Net current assets		1,435	1,433	1,006	1,004
Total assets less current liabilities		27,057	27,055	25,070	25,068
Net assets		27,057	27,055	25,070	25,068
Restricted funds					
Restricted funds	18	340	340	287	287
Unrestricted funds					
Unrestricted funds	18	26,717	26,715	24,783	24,781
Total Funds		27,057	27,055	25,070	25,068

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 £1,951k (2020: £2,121k).

The Financial Statements on pages 41 to 59 were approved and authorised for issue by the Board of Trustees on 9 September 2021 and were signed on its behalf by Andy Ka, Trustee.

Signed:

THAMES HOSPICE
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2021

	2021	2020
Note	£000	£000
Net cash provided by continuing operating activities 20	5,017	2,488
Cash flows from Investing Activities:		
Investment income	93	290
Purchase of tangible fixed assets	(5,367)	(13,913)
Purchase of investments	(460)	(772)
Sale of investments	770	11,852
Net cash used in investing activities	(4,964)	(2,543)
Change in cash & cash equivalents in the year	53	(55)
Cash & cash equivalents at the beginning of the year	634	689
Cash & cash equivalents at the end of the year	687	634
Analysis of changes in Net Debt		
	2021	2020
	£000	£000
Cash and cash equivalents		
Cash at bank as at 1 April	634	689
Cash flows during the year	53	(55)
	687	634
Borrowings		
Debt due within one year	(4,055)	-
Total	(3,368)	634

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

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: Thames Hospice, Windsor Road, Maidenhead, Berkshire, SL6 2DN.

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. The Trustees consider that there are no material uncertainties about the charity's ability to continue. The Covid-19 pandemic has impacted the Company's finances in 2020/21 although government assistance via the Job Retention Scheme, NHSE grants, local authority non-essential retail grants and an emergency appeal have all helped to mitigate the effect. The trustees are satisfied that this will not impact the sustainability of the Company in the long term. As a result, they consider that it is appropriate to prepare the financial statements on a going concern basis.

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.

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

- 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 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 not capitalised. 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 2021

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 related to the capitalisation of fees and other costs relating to the new hospice build which had all been capitalised as Assets Under Construction. As the build project completed during the financial year and was occupied from October 2020, all costs associated with the build have now been transferred to a depreciable asset category and depreciation has commenced.

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

2 Donations and Legacies

	Un- restricted Funds £000	Restricted Funds £000	2021 £000	Un- restricted Funds £000	Restricted Funds £000	2020 £000
Community fundraising and committed giving	769	-	769	708	-	708
Donations and appeals	1,486	1,003	2,489	1,556	2,168	3,724
Legacies	620	-	620	1,157	457	1,614
	2,875	1,003	3,878	3,421	2,625	6,046

Legacies include amounts bequeathed to Thames Valley Hospice are passed on to Thames Hospice with the approval of the respective trustees.

3 Income from Charitable Activities

	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000
Education and training	15	14
External service provision	1	1
Continuing health	-	208
Catering	39	21
CCG funding	4,172	3,223
	4,227	3,467

4 Income from Other Trading Activities

	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000
Events	112	135
Lottery income	584	412
Sales of donated goods	1,095	1,935
Sales of new goods	164	248
	1,955	2,730

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

5 Investment Income	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000
Income from investments	93	289
Bank interest receivable	-	1
	93	290

6 Other Income	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000
Other income	6	75
Job Retention Scheme income	541	19
Hospice UK Grant income	1,659	-
Retail local authority grants	676	-
	2,882	94

Other income during the year was largely the result of a private medical insurance pay out contributing towards the care of a patient.

7 Costs of Raising Funds and Charitable Activities

	Staff related costs £000	Premises £000	Other £000	Total 2021 £000	Total 2020 £000
Costs of Raising Funds					
Direct costs	2,058	897	902	3,857	4,281
Central services support costs - Note 8	459	313	273	1,045	866
	2,517	1,210	1,175	4,902	5,147
Costs of Charitable Activities					
Direct costs	4,442	4	580	5,026	4,386
Central services support costs - Note 8	580	396	345	1,321	865
	5,022	400	925	6,347	5,251

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

8 Central Services Support Costs

Our Central services support costs comprise the following:

	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000
Finance, including depreciation	1,114	622
Governance and Chief Executive costs	245	234
Information Technology	216	202
Human Resources	277	297
Facilities	514	376
	2,366	1,731

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:-

	2021 No.	2020 No.
Fundraising	17	18
Management and administration	22	21
Retail	74	78
Direct patient care	147	137
	260	254

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

	2021 No.	2020 No.
Fundraising	14	16
Management and administration	19	19
Retail	63	66
Direct patient care	120	97
	216	198

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

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

	2021	2020
	£000	£000
Wages and salaries	6,475	5,940
Social security costs	563	517
Pension contributions (see note 24)	411	402
	7,449	6,859

Staff costs include “bank nurses”, whom the Hospice views as an essential staff resource. Also included is an amount for termination payments of £11k relating to two members of staff whose employment was terminated during the year (2020: £34k, eight members of staff).

The number of employees whose emoluments exceeded £60,000 was:	2021	2020
	No.	No.
£60,001 - £70,000	3	3
£70,001 - £80,000	2	2
£80,001 - £90,000	1	1

Pension contributions were made in respect of the above employees totalling £40k (2020: £51k). All of the above staff are members of the SMT.

Key management staff comprises our Board of Trustees, see page 60, and our Senior Management Team (SMT), see page 61. None of our trustees received any remuneration or expenses during the year (2020: nil). The aggregate staff costs of the SMT were £628k (2020: £537k) including national insurance and pension costs.

Based on full time equivalent salaries for permanent staff, the multiplier from median to highest salary is 4.46 (2020: 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 £2,848 (2020: £2,373).

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

10	Net Movement in Funds	Group	Charity	Group	Charity
		2021 £000	2021 £000	2020 £000	2020 £000
Net income is stated after charging:					
	Depreciation	610	610	314	314
	Auditor's remuneration:				
	- As auditor (excluding VAT)	33	33	28	28
	- Other services (VAT and corporation tax advice)	-	-	3	1
	Operating lease charges on retail units and printers	707	707	724	724

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 2021 a loss was made so there were no profits to gift aid to Thames Hospice under deed of covenant. There were no profits chargeable to corporation tax within Thames Hospice Retail Limited (tax paid 2020: £nil).

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:

	2021 £000	2020 £000
Turnover	500	1,065
Cost of sales	(90)	(142)
Gross profit	410	923
Administrative expenses	(408)	(906)
Profit on ordinary activities before taxation	2	17
Taxation paid	-	(2)
Distributed to charity holding company	-	(15)
Retained in subsidiary	2	-

The assets and liabilities of the trading subsidiary were:

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

	2021	2020
	£000	£000
Current assets	163	101
Creditors: amounts falling due within one year	(158)	(99)
Total net (liabilities)/assets	5	2
Aggregate share capital and reserves	5	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 2020	5,097	1,210	1,342	473	527	117	16,733	25,499
Additions	575	133	208	388	135	-	3,928	5,367
Disposals	-	-	(52)	(27)	(110)	-	(1)	(190)
From AUC	20,586	-	5	69	-	-	(20,660)	-
Transfer to Asset held for Sale	(4,887)	-	(95)	(38)	-	-	-	(5,020)
31 March 2021	21,371	1,343	1,408	865	552	117	-	25,656
Depreciation								
1 April 2020	1,706	637	1,257	442	393	106	-	4,541
Charge for the year	317	98	57	68	63	7	-	610
Disposals	-	-	(51)	(24)	(110)	-	-	(185)
Transfer to Asset held for Sale	(1,808)	-	(89)	(38)	-	-	-	(1,935)
31 March 2021	215	735	1,174	448	346	113	-	3,031
Net book value								
31 March 2021	21,156	608	234	417	206	4	-	22,625
31 March 2020	3,391	574	85	31	133	11	16,733	20,958

During the year construction of the new hospice building was completed. All prior year additions to Assets Under Construction have now been moved to Freehold property along with additions during the year relating to construction and fees invoices. In addition, there were substantial purchases of equipment and furniture for the new build which are shown under the appropriate category.

The old freehold site at Pine Lodge was held as an asset for sale at 31 March 2021 so all of the costs and accumulated

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

depreciation relating to that site have been transferred to Asset Held for Sale. The net value of the asset is £3,085k. The site was sold subject to planning being granted. The planning hearing in April was successful enabling the sale to proceed and completion took place on 30 June 2021 (see Note 27).

14 Investments

	Group	Charity	Group	Charity
	2021	2021	2020	2020
	£000	£000	£000	£000
Securities and cash	2,997	2,997	3,106	3,106
Investment in group undertaking (see Note 12)	0	0	0	0
	2,997	2,997	3,106	3,106

	2021	2020
	£000	£000
Group and Charity securities and cash		
Assets brought forward at 1 April	3,106	14,294
Additions at cost	334	892
Movement in cash	126	(120)
Disposals	(770)	(11,852)
Realised and Unrealised investment gains/(losses)	201	(108)
Market value at 31 March	2,997	3,106

Investments comprise:-

	2021	2020
	£000	£000
Group and Charity		
Fixed interest securities:-		
- UK	1,012	1,627
Managed funds and unit trusts:-		
- UK	1,700	1,320
Cash on deposit	285	159
Market value at 31 March	2,997	3,106

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

15	Stocks	Group	Charity	Group	Charity
		2021 £000	2021 £000	2020 £000	2020 £000
	Stock held for resale	111	-	79	-

16	Debtors	Group	Charity	Group	Charity
		2021 £000	2021 £000	2020 £000	2020 £000
	Amounts due from subsidiary undertaking	-	156	-	95
	Other debtors	560	535	675	655
	Prepayments and accrued income	2,159	2,159	1,814	1,813
		2,719	2,850	2,489	2,563

17	Creditors: amounts falling due within one year	Group	Charity	Group	Charity
		2021 £000	2021 £000	2020 £000	2020 £000
	Short term bank loan	4,055	4,055	-	-
	Trade creditors	360	358	217	217
	Pension liability	61	61	56	56
	Amounts due to subsidiary undertaking	-	-	-	-
	Other taxation and social security	149	149	131	130
	Accruals and deferred income	542	540	1,792	1,789
		5,167	5,163	2,196	2,192

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

The short term bank loan was arranged with NatWest. The principal amount was £5m, of which we have drawn down £4m. The interest rate over the term of the loan ranged from 2% to 2.62% p.a. over Base Rate. The amount outstanding at year end was due to be repaid once the sale of our old site Pine Lodge had been completed.

Deferred income

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

	Group	Charity	Group	Charity
	2021	2021	2020	2020
	£000	£000	£000	£000
Brought forward	537	537	330	330
Deferred in the year	137	137	537	537
Released in the year	(537)	(537)	(330)	(330)
Carried forward at 1 April	137	137	537	537

18 Funds

At 31 March 2021, funds are analysed as follows:

Unrestricted funds – Group	At 1 April	Incoming	Outgoing	General	At 31 March
	2020	Resources	Resources	Fund	2021
	£000	£000	£000	Transfers	£000
General Fund	23,416	12,233	(11,248)	-	24,401
Transfer to designated funds	-	-	-	-	-
Transfer from designated funds	-	-	-	1,367	1,367
Transfer from restricted funds	-	-	-	949	949
General Funds Total	23,416	12,233	(11,248)	2,316	26,717
Designated Project 25 Fund	1,367	-	-	-	1,367
Transfer from general fund	-	-	-	-	-
Transfer to general fund	-	-	-	(1,367)	(1,367)
Designated Funds Total	1,367	-	-	(1,367)	-
Unrestricted Funds Total	24,783	12,233	(11,248)	949	26,717

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

Unrestricted funds – Charity	At 1 April 2020	Incoming Resources	Outgoing Resources	General Fund Transfers	At 31 March 2021
	£000	£000	£000	£000	£000
General Fund	23,414	12,233	(11,248)	-	24,399
Transfer to designated funds	-	-	-	-	-
Transfer from designated funds	-	-	-	1,367	1,367
Transfer from restricted funds	-	-	-	949	949
General Funds Total	23,414	12,233	(11,248)	2,316	26,715
Designated Project 25 Fund	1,367	-	-	-	1,367
Transfer from general fund	-	-	-	-	-
Transfer to general fund	-	-	-	(1,367)	(1,367)
Designated Funds Total	1,367	-	-	(1,367)	-
Unrestricted Funds Total	24,781	12,233	(11,248)	949	26,715

The trustees initially designated £12,000k of the group unrestricted funds for the new hospice at Bray (PT5) and an additional £168k was designated by the trustees in 2019/20. £10,801k was spent out of the designated funds on the capital build and the remainder of £1,367k transferred back to the general fund during the financial year.

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; the total spent out of restricted funds capital appeal is £5,069k during the project. The remainder is to fund the final contractor retention (see also Note 25)

Comparative figures for 31 March 2020 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	(10,449)	-	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	(10,449)	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

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

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	10,444	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

Restricted funds – Group & Charity	2021 £000	2020 £000
At 1 April	287	503
Net movement in funds	53	(216)
At 31 March	340	287

The net movement in restricted funds during 2020/21 is analysed as follows:

	At 1 April 2020	Incoming Resources	Outgoing Resources	To General Fund Fixed Assets	At 31 March 2021
	£000	£000	£000	£000	£000
Patient Support Fund	1	-	-	-	1
Clinical Funds for equipment etc.	111	56	(1)	(39)	127
Comfort Appeal	30	-	-	(30)	-
PT5 New Build Capital Appeal	145	947	-	(879)	213
	287	1,003	(1)	(949)	340

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

Comparative figures for 31 March 2020 are analysed as follows:

	At 1 April 2019	Incoming Resources	Outgoing Resources	To General Fund Fixed Assets	At 31 March 2020
	£000	£000	£000	£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

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. We have used the remaining funds this year to purchase items such as new beds and mattresses for our new hospice in Bray.

The Capital Appeal was launched in 2017/18 to raise funds for the new hospice building. During the year £947k was received (2020: £2,574k) 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 was completed in October 2020. The remaining balance will be used to pay the final contractor retention which falls due in October 2021.

Transfers to the General Fund relate to those restricted funds used to purchase capital items. During 2020/21 the majority of the capital spend transferred was on the new build, see also Note 13.

19 Analysis of Net Assets between Funds

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Unrestricted funds £000	Restricted funds £000	Total 2020 £000
Fixed assets	25,622	-	25,622	24,064	-	24,064
Current assets	6,262	340	6,602	2,915	287	3,202
Creditors falling due within one year	(5,167)	-	(5,167)	(2,196)	-	(2,196)
	26,717	340	27,057	24,783	287	25,070

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

20	Reconciliation of Operating Profit to Net Cash provided by Continuing Operating Activities	2021	2020
		£000	£000
	Net income for the year	1,987	2,121
	Depreciation on tangible fixed assets	610	314
	(Gains)/Losses on investments	(201)	108
	Investment income	(93)	(290)
	Fixed asset write offs	5	-
	Loss on disposal of tangible fixed assets	-	-
	(Increase) in stock including stock write offs	(32)	(6)
	(Increase) in debtors	(230)	(108)
	Increase in creditors	2,971	349
	Net cash provided by continuing operating activities	5,017	2,488

21 Financial Instruments

	Group	Charity	Group	Charity
	2021	2021	2020	2020
	£000	£000	£000	£000
Financial assets/(liabilities) measured at amortised cost:				
Cash at bank and in hand	687	662	634	633
Debtors	2,719	2,850	2,489	2,563
Creditors	(5,167)	(5,163)	(2,196)	(2,192)
Financial assets included at fair value:				
Investments	2,997	2,997	3,106	3,106

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

22 Financial Commitments

At 31 March 2021, Thames Hospice had financial commitments under non-cancellable operating leases as follows:

	2021	2020
	Land and Buildings	Land and buildings
	£000	£000
Due within one year	767	729
Due within two to five years	1,972	1,874
Due in more than five years	-	-
Total financial commitments	2,739	2,603

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 12 trustees and their close family donated a total of £3,930 (2020: £5,860) to the charity. The donations were a mixture of one-off capital and revenue donations, lottery membership and event sponsorship.

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 £441k (2020: £934k). Charged by the subsidiary to the charity - commission on gift aided sales and a donor procurement charge. These totalled £335k (2020: £817k).

At the year-end a balance of £180k was owed by the subsidiary to the charity (2020: £95k). See also Note 16.

Thames Valley Hospice

Thames Valley Hospice was 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 was 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 have been passed on to Thames Hospice. In the year ended 31 March 2021, legacies totalling £nil (2020: £nil) were received and passed on. Thames Valley Hospice was closed during the year.

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

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

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 £185k (2020: £177k).

The liability outstanding at the end of the financial year was £29k (2020: £27k).

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 £226k (2020: £225k). The liability outstanding at the end of the financial year was £31k (2020: £29k). 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.

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 2021 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.

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

25 Capital commitments

The charity had commitments under contracts relating to the new build at Bray outstanding as at 31 March 2021 amounting in total to £0.3m (2020: £3.4m). This total is comprised of the final retention due in October 2021 under the contract with the building contractors, and any final fees due to the design team at that point.

26 Controlling Party

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

27 Post Balance Sheet Event

The purchasers of the Pine Lodge site, Beechcroft Developments Limited were granted planning permission of the proposed retirement village to be sited there in April.

The sale of the old site, Pine Lodge, completed on 30 June 2021 for £6.1m. The short term bank loan of £4m was arranged with our own bank, NatWest, to provide bridging finance to complete the building of the new hospice. The amount outstanding at year end was due to be repaid out of the sale proceeds once the sale of our old site Pine Lodge had been completed. The remaining surplus of £2.1m has been moved into the investment portfolio to help rebuild our reserves.

THAMES HOSPICE
ADMINISTRATIVE DETAILS
for the year ended 31 March 2021

Legal and Administrative Information

Charity Name:	Thames Hospice
Charity Registration Number:	1108298
Company Registration Number:	5316964
Registered and Principal Office:	Windsor Road Maidenhead Berkshire SL6 2DN
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 (to 02 June 2021)
Mr Ishfaq Is-haq (to 8 July 2020)
Mr Andy Ka
Dr Judith Kinder
Miss Janet King (from 11 June 2020)
Mr Craig Linton
Mrs Catherine McLaughlin
Mr Bruce Montgomery
Mr Stephen Moore (to 10 December 2020)
Ms Margaret Neal
Mr Nilesh Shah (from 21 December 2020)
Mr Jon Toohey (from 21 December 2020)

THAMES HOSPICE
ADMINISTRATIVE DETAILS
for the year ended 31 March 2021

Our Senior Management Team are:

Mrs Debbie Raven	Chief Executive
Ms Ruth Bartholomew	Finance Director & Company Secretary (to 25 April 2021)
Mrs Sarah Bissell	Director of Fundraising and Marketing
Ms Lisa Church	Director of Nursing & Family Services
Ms Jita Das	Medical Director
Mrs Jackie Geeson	Director of Human Resources (to 31 March 2021)
Ms Linda Freeman	Director Education & Innovation (to 30 April 2021)
Mrs Julie Rowley	Director of Retail
Mrs Tracey Talbot	Finance Director & Company Secretary (from 26 April 2021)
Mrs Carol Carpenter	Director of People (from 04 May 2021)

Thames hospice
Quality of life, to the end of life