

Charity Number: 1013945

Company Number: 2673845

ROYAL TRINITY HOSPICE

(INCORPORATED AS A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 March 2021

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AND SUBSIDIARY COMPANY
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Chairman's letter August 2021

As I reflect on an extraordinary year, I am pleased to report that Trinity is currently in good shape. Our team responded incredibly well to the challenges of COVID-19 – so, while the pandemic disrupted life as we all knew it, our care did not stop for a moment and neither did our fundraising.

In large part, this results from the strong platform put in place before the pandemic by Trinity's board and senior management. In the previous three years our community patient numbers rose by almost 25% and our care was recognised as "Outstanding" by the CQC. Innovations we had trialled in staffing and technology proved invaluable as we adapted services rapidly in the face of the pandemic. Lastly, our financial position was stable.

The board set 3 short-term goals for the March 2020 lockdown; keeping patients, staff and volunteers safe, maximising availability of inpatient and community services and ensuring financial resilience – all of which we managed to achieve.

2020/21 Operational performance

The team worked very hard over the last 12 months to keep everyone safe, by regulating access to the building, managing a comprehensive testing regime, and ensuring staff could be vaccinated promptly.

We adapted to ensure our inpatient and community services remained available to patients throughout the pandemic. We offered both in person and virtual service delivery as appropriate.

Our total patient numbers in 2020/21 were 2473, a 3% fall on the previous year reflecting rather lower inpatient activity, especially during core lockdown periods. The community teams remained very busy through the year.

Quality remains the cornerstone of all we do at Trinity and I am pleased to report that the CQC very recently confirmed our Outstanding rating following a telephone assessment of our progress since 2019.

2020/21 Financial performance

Financial performance was much stronger than we expected at the start of the year, with a surplus eventually being recorded. This reflects the tireless work of our fundraising and retail teams and the amazing generosity of our donors. The fundraising team reported its strongest year ever, exceeding the previous peak when the IPU was built. We also benefited from one-off state support, via a hospice sector grant and the retail operation received furlough and property support during 3 periods of lockdown. Careful management of costs and short-term capital expenditure mean that we ended the year with a reasonable financial and liquidity position to help address any short-term needs as well as the longer-term structural challenges of rising demand and falling real NHS funding faced by UK hospices.

People

None of this would have been achieved without the unceasing work of Trinity's staff and volunteers. This team is our key differentiator –delivering each day on our core mission of outstanding patient and family care while also raising the bulk of the funding required. Our people maintain and reinforce a culture that is patient-centred, flexible and inclusive. Quite simply, they are the heart of Trinity and I want to recognise and thank every single team member for their efforts over the last year.

In particular, I want to thank Dallas Pounds, our CEO, who provided exceptional leadership during this period. Dallas will step down in September 2021 after 8 years as an outstanding leader of Trinity. She has strengthened and energised the organisation, helped us achieve an Outstanding CQC rating and expanded our patient reach significantly. She has been a genuine champion of inclusivity and diversity both internally and externally. Dallas leaves Trinity well positioned with a great staff team, excellent patient services and an innovative approach to working with patients, families and local health partners. Dallas goes with our very best wishes for the future. A search process to recruit a new Chief Executive is in train and we expect

to make an appointment this autumn. The strong platform built over many years should enable us to attract high calibre candidates.

We have seen some other senior people changes. Clare Montagu, our COO, left in March 2021 after 7 years during which she played a key role helping Dallas to strengthen the organisation; she goes with our very best wishes. We also said farewell to several long-serving trustees since the last annual report. Katharine Jackson served for 9 years as Treasurer and then Deputy Chair. Geraldine Walters served for 9 years as Chair of the Patient Services Committee. Felicity Harvey and William Buller both served as trustees for 5 years. They all go with our sincere thanks for their sound counsel and dedication to Trinity, especially over the last 12 months. I also want to thank James Piper who took over as Treasurer and Heather Blake who became Chair of our Patient Services Committee during the year.

These planned board retirements gave us the chance to renew and broaden the trustee bench while adding expertise in patient services, retail, fundraising, legal and finance. I am very pleased to welcome the new trustees (listed on page 19) who we appointed in February 2021 after an extensive open recruitment process. I am sure that the exceptional calibre of these new trustees will help Trinity chart its course successfully in the coming years.

Outlook – our priorities now

Trinity's core goals remain the same; to deliver outstanding specialist palliative care, to be available to as many people as possible - physically or virtually - and to be financially sustainable.

We have made good progress against the key priorities I outlined in my letter last year.

1. We are building on our **core inpatient and community services**. We have adapted and innovated so we can deliver high quality specialist care to everyone in need. We cared for 2473 patients over the last 12 months and we anticipate resumed growth over the next few years, due mainly to an ageing population and the after-effects of the pandemic. Now is a good opportunity to accelerate the greater integration with key health partners that we adopted during the pandemic and we are putting considerable energy into this.
2. We initiated **candid discussions with our local clinical commissioners about their contribution to hospice care costs**. We have now agreed additional short term financial support on a risk-share basis with our commissioners. This is very welcome although the longer-term challenge of funding over 70% of our service costs ourselves (via retail and fundraising) needs still to be addressed. This is a critical goal for the next 12 months.
3. We **refocussed our fundraising efforts**. 2020/21 was an exceptional year with the team delivering £5.5 million in contribution; charitable trusts and online appeals were key drivers of outperformance. It will be a challenge to repeat this in 2021/22 but providing lockdown restrictions continue to be reversed, we hope to capitalise on our 130th Anniversary year with more in person events from Summer 2021.
4. We will resize and **rebuild our retail operation**. Retail made a £0.1 million net loss (after government furlough and property grants) in 2020/21 which was a big achievement after only 154 trading days. We reopened 20 shops on 12 April which are currently trading in line with expectation and well ahead of 2019 like for like sales. We expect a return to material profitability in 2021/22. Our refocussed online business, especially via Depop and ASOS, is performing well. We expect to add a small number of additional stores over time when high-quality growth opportunities arise.
5. We instigated a detailed **review of all costs** and capital expenditure. The run rate cost base of our hospice operation (excluding retail and fundraising) is £1.1 million lower than pre-pandemic levels. We continue to guard cash and liquidity extremely carefully to ensure our financial position remains robust given the challenging healthcare and economic environment.

It has been an extraordinary year for Trinity. Our team and supporters have responded in outstanding ways, for which I am very thankful. Our challenge remains, as always, to deliver excellent care and to generate the revenue to pay for it. While we cannot take our eye off the ball for a moment, I am confident that Trinity is currently in a good position to capitalise on the opportunities and to respond to the challenges ahead of us.

A handwritten signature in black ink, appearing to read 'Adrian Williams', with a long horizontal flourish at the end.

Adrian Williams
Chairman

Report of the Trustees for the Year Ended 31 March 2021

The trustees are pleased to present their report together with the consolidated financial statements of the charity and its subsidiary company for the year ended 31 March 2021.

Our growth strategy & targets

Trinity continued to implement the board's long-term growth strategy, the key aims of which are to:

- **reach more people** who can benefit from our care among the 750,000 population we serve;
- **demonstrate better our impact** on our patients, those close to them and the wider community; and
- **grow our revenue base** to resource our continued service growth.

Our annual targets for 2021/22 are summarised on page 15. Our performance against the previous annual targets which, given the pandemic, the board rolled over unchanged for 2020/21 are summarised below.

	Area	Annual targets	Key achievements
	CORE		
1	Operational	Continue to provide accessible specialist palliative and end of life care in a safe, efficient, & compliant manner. Maintain high quality standards and achieve positive CQC report.	Outstanding CQC rating achieved and retained.
2	Financial	Meet profit and cashflow budget performance. Comply with Trinity reserves policy & applicable charity financial standards.	Performance above budget; £3.1m surplus after capex. Year end operating cash of £4.5m.
3	Board	Review Board skills and criteria for new trustee recruitment.	8 new trustees with diverse experience & skills appointed in early 2021.
	STRATEGIC		
4	Volume growth	Increase in overall and especially community patient numbers. 3-year target +30%	3.0% fall in overall patient numbers due to pandemic. 23% growth in community patients in prior 3 year period.
5	Impact	Complete successful TAP pilot. Roll out TAP across north of river catchment.	Pilot ended in 2019/20. Some TAP components proved very useful in lockdown and will form part of our future service model.
	REVENUE		
6	CCG contract	Renew CCG contract on improved terms.	Contract extended due to pandemic. Major one-off central government support in 2020/21 and risk sharing arrangement agreed with ICSs for 2021/22.
7	Retail growth	Growth in shop estate and profit per plan.	Contribution below budget due to pandemic.
8	Fundraising growth	Growth in fundraising revenue/ profit per plan. Trial new fundraising channels.	Contribution considerably above budget.

Operational highlights FY20/21

- 2020/21 has presented many operational challenges. Thanks to commitment, resilience and team working we have managed a Covid-secure hospice building, the transfer of face to face community services to virtual services using digital technology, staff and volunteer furlough, working from home requirements, and supported the wider health and social care system manage the pandemic.
- In 2020/21 we looked after 2473 patients, provided 5072 bed days, and cared for 2381 community patients and outpatients. Inpatient activity was down on previous years, especially during core lockdown periods. All our services remain free to use.
- Our work makes a real difference each year to thousands of patients and their families when they need it most. Our impact report is on our website at www.royaltrinityhospice.london/our-impact
- In March 2021 the Care Quality Commission made a telephone assessment of our progress since 2019 when we were awarded an overall rating of "Outstanding". They were very satisfied with the progress made and our Outstanding award remains. This is a huge tribute to the entire Trinity team and their response to delivering care during the pandemic while maintaining quality at its heart.
- The learning from our Team Around the Patient (TAP) pilot which was designed to meet the need to extend and improve coordination of services for community patients is being implemented. The introduction of a more skill-mixed nursing team and palliative care assistant posts enables a more comprehensive and responsive to service delivery in the community, while offering opportunities for career development and personal growth.
- The NHS commissioning landscape continues to change with the emerging Integrated Care Systems (ICSs) taking responsibilities from the Clinical Commissioning Groups (CCGs). Trinity has established good relationships with key commissioning colleagues and will work with the ICSs to ensure specialist palliative and end of life care remains firmly on their agenda.
- We negotiated a 12 month extension of our main NHS contract for FY21/22, securing a modest 2.5% increase in core NHS income. The regular contract income now covers 28% of the expected contract costs for FY21/22. The contract loss for FY20/21 was £2.6 million, much lower than the loss in recent years due to one-off support from NHS England (see below).
- Our retail operation had a challenging year because of lockdown closures and the social distance and safety requirements when able to open. We were able to trade for less than half the year and we recorded a loss of £1.1 million (£0.1 million after government support payments).
- The fundraising contribution of £5.5 million net was substantially the best ever due to well managed emergency campaigns, funding applications, and the generosity of our supporters. This reflected a very strong performance by a slimmed down team. The current year has started very well, but we are mindful that pandemic specific funding streams will not be available for a second year.
- Since last year's accounts several Trustee retirements took place; Katharine Jackson after 9 years, Geraldine Walters after almost 10 years, Felicity Harvey and William Buller both after 5 years. They all go with our sincere thanks for their sound counsel and commitment to Trinity. We also said farewell to Clare Montagu our COO who has made a huge difference to Trinity over the last 7 years.

Financial highlights FY20/21

Segment contribution (£'000)	2020/21	2019/20
Patient care (cost after NHS income)	(2,636)	(5,226)
Retail post tax	(1,128)	1,492
Fundraising	5,527	2,748
Property & investment	149	347
Government Grants (Local authority retail grants & CVJRS for hospice & retail)	1,286	675
Net contribution*	3,197	36
Capital expenditure	(73)	(501)
Surplus / (Deficit) before depreciation and after capital expenditure	3,123	(465)

*contribution is stated before depreciation

- Total revenues increased by 8% to £16.5m. Fundraising income was £6.1m, a 60% increase year on year benefitting from a successful emergency appeal at the start of the pandemic and increased income from charitable trusts. Retail income suffered as a result of closures throughout the year and raised only £1.6m, a 74% reduction.
- Trinity received £4.3m of exceptional income related to COVID-19 including £2m from NHS England, £1m insurance to cover loss of trading income, £1m of Coronavirus Job Retention Scheme grants and £310k of local authority business support grants.
- The gross cost of our patient care reduced by 6.2% to £9.7m. Year-end net assets were £22.6M, the bulk of which is invested in our Clapham base. Having sold our listed equity investments to ensure a high level of liquidity during the initial stages of the pandemic, we began reinvesting in the equity market in March 2021.
- Year-end liquid assets (operating cash and the investment portfolio) were £9.8M which would cover around 8.4 months' operating costs at current levels which is at the upper end of our target range.

Financial outlook FY21/22.

- Our financial goal for 2021/22 remains to produce a cash neutral outturn after capital expenditure. Trustees and the Executive team are reasonably confident that our income will cover the costs of patient care this year. At 31st March 2021 Trinity holds reserves equal to 8 months of expenditure and aims to maintain this level of reserves whilst the organisation remains exposed to further lockdowns.
- Our slimmed down retail business is now fully operational and is expected to make £1m profit this year to contribute to the running of Trinity. So far sales have exceeded expectations. Our plan assumes no further lockdowns or retail closures.
- Fundraising had an exceptional year in 20/21. Whilst many of the COVID-19 specific funds will no longer be available to us this year we forecast a net contribution of £3.6m. Achieving this target is dependent on mass participation events being able to take place later in the year.
- We reduced our cost base in 2020/21 and some cost savings will continue into 2021/22. The costs of inpatient care will increase to pre pandemic levels as occupancy on the unit increases. Demand for our Community Services continues to increase and the cost base is increasing to reflect this. We are increasing staffing numbers and changing the skills mix to meet the increase in demand.

About Royal Trinity Hospice

Royal Trinity Hospice (Trinity) provides expert, compassionate end of life care to around 2,500 people and supports their friends and families in the central and south west London community. Serving boroughs north and south of the river, Trinity is a specialist end of life care provider for around 750,000 people.

We care for adults with progressive, life-limiting illnesses, helping them to live life to the full for whatever time may be left. We enable people to have a 'good death' and we support those who are left behind when someone dies.

Our services include nursing and medical care, emotional and practical support, welfare advice, occupational and physiotherapy, complementary therapies, befriending, spiritual care and creative activities. We also provide bereavement support to families, friends and those who have been affected by the death of someone under Trinity's care.

We care for people in the community and through inpatient and outpatient services in modern, welcoming facilities at our base in Clapham.

We share our specialist skills through education and support for other care providers, such as GPs, district nurses, hospitals and care homes, so that more people in our community have a better experience of care at the end of their lives.

It costs £14 million each year to deliver our services, which are free to patients and families. We receive a quarter of our funding from the NHS and raise over £10 million each year through the generosity of our local communities and supporters, trust and corporate funders, and those who donate and purchase items from our shops.

Values

Excellence – in all we do

Compassion – in all we are

Inspire – all those we meet

Integrity – in all actions

Innovation – so we move forward

Leadership – to set the standard.

Vision

To be the local hospice of choice for all those who need us and an example of excellence in end of life care.

Mission

- To provide expert and compassionate end of life care, support, information and advice to patients and those close to them
- To provide education and information, working collaboratively with all health and social care providers, to ensure as many people as possible benefit from our expertise
- To improve communities' relationship with death and dying, allowing them to *live every moment*
- To challenge and overcome barriers to equity, diversity and inclusion in our services
- To be true to our values and a good employer.

Legal Structure

The name of the charity is Royal Trinity Hospice. The hospice is a charity registered in England and Wales, number 1013945, and also a company limited by guarantee, number 2673845. The functions of the hospice are governed by the Articles as amended by Special Resolution passed on 11 September 2020.

Registered Office

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Organisation, recruitment, appointment and training of the Board of Trustees

Trinity is governed by its Board of Trustees, which is a voluntary management committee and has ultimate responsibility for the organisation. Trinity's overall policy and direction is planned, monitored and controlled by the Board of Trustees leaving the functional implementation and day-to-day management to the Chief Executive and the Executive team.

The trustees, listed on page 19 below, meet four times a year and hold an annual strategic planning day. Trustees are not paid for the duties they undertake. Trustees are recruited and serve as trustees in accordance with the Trustee Appointment and Re-appointment Policy.

All members of the Board of Trustees have access to the Company Secretary for advice and relevant services. New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. They also spend time in our services, and during their induction they meet patients, carers, staff and volunteers.

Royal Trinity Hospice is a company limited by guarantee and has no share capital. Individual trustees are members of the company. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. Members are liable for a period up to one year after they cease membership.

There are two sub-committees to aid the conduct of the Board's responsibilities:

- The Finance and Resources Committee; and
- The Patient Services Committee.

Clinical Governance

Trinity has a Clinical Governance Framework to ensure the organisation delivers its shared vision of excellence in patient care which meets the needs and expectations of patients as well as the standards set by the Care Quality Commission and the guidance on specialist palliative care published by the National Institute for Health and Care Excellence (NICE). The Medical Director is the Clinical Lead, Caldicott Guardian and Freedom to Speak Up Guardian for Trinity and the Chief Executive has overall responsibility for the framework. Trinity's Clinical Governance Committee meets quarterly to review clinical risk management, clinical audits and clinical staff development. Reporting to trustees is through the Patient Services Committee.

Fundraising

The trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their fundraising activities.

Trinity is committed to its donors and remains dedicated to treating all donors and supporters with the highest level of care, consideration and respect.

Trinity contracts out all fundraising activities to Compton Fundraising Consultants Ltd (Compton). Compton provides expert fundraising services to ensure that the hospice has sufficient funds to provide end of life care to all who need it. Trinity's fundraising activities delivered by Compton include: individual giving; legacies; trusts and foundations; corporate partnerships; community, sports and challenges; in memory giving; major donors and events.

The Compton team at Trinity does not engage in cold-calling or wealth-screening, and does not buy or sell data. Donor data is stored securely to provide supporters with information about and opportunities to support the hospice, tailored where possible to their specific area of interest. Compton does not use other agencies in their fundraising activities on behalf of Trinity. Compton does however use a legacy administration company called Legacy Link to administer the legal process of receiving legacy donations.

The Compton team is fully integrated into the charity and works full time on the hospice site. Monitoring of fundraising activity takes place at several levels in the charity. The Director of Fundraising (a Compton employee) reports to the CEO and sits on Trinity's Executive team. Compton attend and report quarterly to the Board via the Finance and Resources Committee. In addition, the fundraising team are bound by the policies and procedures set by the hospice and are monitored against those via Trinity's corporate governance regime; particularly in relation to health and safety, financial controls and procedures, and information governance. The Director of Fundraising is a member of Trinity's Information Governance Group and a member of the fundraising team attends the hospice's Health and Safety Group. The fundraising team works closely with Trinity's Data Protection Officer to ensure data processing is in line with the requirements of the GDPR and Data Protection Act 2018.

Royal Trinity Hospice is registered with the Fundraising Regulator and abides by the Regulator's Code of Fundraising Practice and the Fundraising Promise. We are careful to ensure that we take all reasonable steps to treat donors fairly, enabling them to make informed decisions about any potential donation. While it may be difficult in some situations for a fundraiser to make a clear cut decision as to whether or not someone is in a vulnerable position or lack capacity, if possible we draw on the resources of the healthcare professionals based in the hospice to support a judgement and always err on the side of caution.

In 2020/21, Trinity received 6 complaints in relation to fundraising, all of which were resolved (2020: 10).

We have a Donor Charter which sets out in more detail how we assure current and potential donors of the integrity and high standards of fundraising at Trinity Hospice. This can be accessed on our website: www.royaltrinityhospice.london/donor-charter.

The Executive team

The Executive team, who are also the key management personnel for the purposes of FRS102, comprises the Chief Executive, Medical Director, Director of Human Resources and Organisational Development, Director of Patient Services, Director of Finance and Resources, Director of Retail and Director of Fundraising (an employee of Compton Fundraising Consultants Ltd). The post of Chief Operating Officer was also part of the Executive team throughout the financial year 2020/21. The Chief Executive, with the support of the Executive team members, reports to the Board of Trustees, which approves Trinity's strategic objectives, annual budget and annual targets.

The Remuneration Committee, a sub-committee of the Finance and Resources Committee, determines the policy for the remuneration of staff, including the Chief Executive and the Executive Team, on an annual basis.

Relationship with other organisations

Trinity maintains close links with all local providers who provide care at the end of life in both the voluntary sector and the primary and acute health care sectors. Trinity also works closely with other organisations and charities on issues of mutual concern and delivers some services in partnership with other voluntary sector organisations. Some of Trinity's funding comes from charities and trusts which support our aims.

Trinity Hospice Shops Ltd (THSL) is a wholly owned subsidiary of Royal Trinity Hospice and acts as agent in selling the goods donated to and owned by the hospice.

Strategic report

Service quality & excellence

During 2019/20 we were inspected by the Care Quality Commission (CQC) in line with our registration requirements. The CQC judged Trinity to be Outstanding overall, and Outstanding for services that were Caring, Responsive and Well-Led. In March 2021 CQC followed up with a telephone assessment of our progress and confirmed our Outstanding rating.

Patient experience is key to delivering and improving our clinical service. During 2020/21 we received 174 written compliments, 22 concerns and 10 complaints. We used the feedback to change practice and encourage our staff and volunteers.

The impact of the pandemic changed the way we gather patient and family feedback. In-person groups (Trinity's Patient Forum and the Family and Friends Involvement groups) were suspended as was the Patient Experience of Care survey and What you Say Matters survey for bereaved carers for quarter 1 and quarter 2 2020/21. We reinstated these surveys in Q3.

The vast majority of responses have been overwhelmingly positive with 97% of patients saying they would be likely to recommend us, and 100% of patients stating that they were treated with respect and dignity.

COVID-19

The coronavirus pandemic hit the UK significantly before the end of the financial year 2019/20. During March 2020, Trinity took a number of steps in line with national clinical and legal guidance to ensure the organisation was able to respond to what turned out to be a healthcare crisis and a significant financial challenge. The impacts of the pandemic continued all through financial year 2021/21.

Impact on services

There has been even greater demand for our care during the COVID-19 crisis, while we have had to transform radically the way in which we deliver care.

We suspended face-to-face outpatient services in mid-March, and support for patients in the community switched to remote services: telephone, video conference and live streaming. We continued to make home visits where this was deemed essential.

Throughout the crisis there has been a greater demand for our non-bed services, and particularly the advice and support provided by our specialist community nurses to other healthcare professionals in the community. We increased our community resourcing, particularly at weekends, to enable our specialist team to provide advice and support for patients with COVID-19 in the community.

Our inpatient unit adapted rapidly to caring for patients with COVID-19. We have had to restrict visiting in the unit to minimise the risk of transmission. We flexed our bed admissions criteria to respond to NHS trusts needing rapidly to free up bed capacity, and admitted people with COVID-19 who would not normally be specialist palliative care patients.

Impact on finances

At the start of the pandemic in March 2020, its impact on Trinity's finances was unknown. We acted quickly to reduce costs where we could and immediately launched an emergency appeal. The response to the emergency appeal was fantastic, our community and supporters rallied round and we were able to raise a fantastic £2.5m.

Trinity has benefited from government funded schemes including the Coronavirus Job Retention Scheme and business grants provided to closed businesses. We claimed £1m through insurance for loss of revenues under our policy. We took the difficult decision to permanently close 11 of our shops that we did not believe we could operate safely and profitably. Whilst our retail business was loss-making for the year, these schemes and exceptional income opportunities helped to sustain our retail business and restart operations on 12th April 2021. The landlords of our shops have been hugely supportive throughout the pandemic, providing rent waivers and deferrals to help us manage our cashflow. We are grateful to them for their support.

NHSE awarded funding totalling £2m to allow the hospice to make bed capacity and community support available to support people with complex needs in the context of the pandemic from April 2020 to July 2020 and from November 2020 to March 2021.

Other cost cutting measures included reducing executive pay, holding vacancies, reducing contractual commitments and limiting capital expenditure. Overall Trinity's cost base was £2m lower than in 2019/20. This, coupled with the exceptional income items meant that we ended the year with a £2.4m surplus. This gives Trinity some much needed financial resilience to weather the uncertainties ahead, particularly after the deficit of the previous financial year.

Environmental reporting

Under the Energy and Carbon Report Regulations 2018 Trinity is required to report on the environmental impacts of the organisation. The key environmental impacts for Trinity are gas and electricity use across the hospice and in stores, use of pool cars for community nursing visits, and two leased vans used for retail delivery and collections. 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 and cars. Scope 1 emissions for gas usage and use of owned vehicles are reported.

UK Greenhouse gas emissions and energy use data for the period 1 April 2020 to 31 March 2021	2019/20	2020/21
Energy consumption used to calculate emissions (kwhs)	2,091,666	1,941,376
Energy consumption breakdown kwh		
Gas usage	1,194,166	1,210,085
Electricity usage	897,500	731,291
Energy consumption used to calculate emissions (km)		
Transport	50,012	41,919
Scope 1 Emissions in metric tonnes CO2e		
Gas consumption	219,547	222,498
Owned transport	5,359	1,851
Electricity Usage	229,401	170,493
Intensity ratios		
Hospice emissions per FTE	2,054	2,099
Retail Emissions per shop	2,835	1,784

Hospice emissions have reduced year on year due to less use of owned vehicles because of changes to the way we conduct appointments due to the pandemic. As staff numbers have reduced the emissions per WTE have increased.

Retail shops were closed for large periods of the year so the emissions from energy used have reduced accordingly. THSL are reviewing their energy use to help meet their aim of being London's answer to sustainable fashion.

Section 172 (1) Statement

Trinity 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 communities we serve are central to our mission.

The Directors of Trinity have acted in accordance with their duties codified in law, which include their duty to act in the way in which 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.

Section 172 considerations are embedded in decision making at board level and throughout the organisation.

The sections in this Annual Report which cover our service performance and how we met our strategic objectives in 20/21 detail how Trinity engages with its health and social care stakeholders, such as healthcare professionals and patients and their families. We serve a clearly defined geographic area, and engaging our local community in fundraising, volunteering and employment is vital to our work. Despite limits on volunteering in our shops due to distancing and closures, 83 retail volunteers gave their time and 33 new volunteers joined us in our shops over the course of the year. We were unable to have volunteers in the hospice, although our garden volunteers have been out in force once rules permitted.

Employee engagement has been critical to our success and recognised as such by the CQC. Formal consultation groups such as the Staff Involvement Committee, review all policies and discuss major organisational initiatives. Staff across the hospice and shops have been integral to developing our work on

FREDIE (Fairness, Respect, Equality, Diversity, Inclusion and Engagement) which has led to a programme of employee development and support.

During 2020/21 the Black Lives Matter at Trinity working group was formed. It conducted a race and racism at work survey and formulated an action plan for the organisation based on the outcomes of the survey. We held a Black History Month celebration in October, a Wellbeing Week in December and celebrated LGBTQ+ History Month in February.

How our services performed in 2020/21

Community care

Most of our care is provided to people in their own homes, including care and nursing homes. Trinity's team of specialist community nurses supports people by providing expert advice for symptom control and supporting the co-ordination of services with the person's GP, district nursing team, hospital team and social services. Many of our other specialist staff also provide services to people in their own home. This includes the patient and family support team, occupational therapists and the medical team.

The pandemic has had a significant impact on how we work, especially for non-bed services. More telephone and video consultations have been made and we have put many of our resources online so that patients can access them from home. Our nurses, doctors, therapists and carers have continued to see patients in their own homes where this is needed.

The community nursing team provides home visits 7 days a week as well as a 24/7 telephone support service.

- Our team of community nurses supported 2,381 people during 2020/21.
- The team undertook 856 home visits to support patients and carers and made over 29,000 telephone calls to patients, carers and other healthcare professionals to support the care of patients at home.
- The majority of the patients we care for in the community are older than 75 and around half of our community patients have a condition other than cancer.

Inpatient care

Trinity's inpatient centre has 28 beds and the inpatient team provide skilled, compassionate care in a warm, welcoming and modern environment. People come in for many reasons including help to get difficult physical or psychological symptoms under control before returning home, rehabilitation to continue to live independently or care when an illness is advanced.

- 294 patients were cared for in our inpatient centre in 2020/21, utilising 5072 bed days.

Support for family and friends

Support for those closest to our patients is integral to our care. We run outpatient groups aimed at supporting carers, particularly those who are looking after patients with dementia. Our patient and family support team provides emotional support and counselling to family and friends both before and after death. Trinity has a team of expert counsellors and trained bereavement volunteers who between them offer both one to one and group sessions. This support will continue to be provided remotely.

- Trinity provided 1662 bereavement counselling sessions on the phone or face to face to 264 people in 2020/21.
- 747 carers received psychosocial or spiritual support

Wandsworth End of Life Care Coordination Service (EOLCCS)

Trinity manages a care coordination service in Wandsworth on behalf of Battersea Healthcare CIC (the multispecialty community provider in Wandsworth CCG). The service coordinates care for people in the

community who are end of life patients and also provides care and support through a dedicated team of rapid response carers, the Royal Trinity Carers.

- 554 patients were supported by the Wandsworth EOLCCS during 2020/21.

Education

We share our expertise on end of life with those outside Trinity to raise the quality of end of life care elsewhere in the health and social care system. We have increased the placements we offer students from several professions enabling them to experience the value of hospice care early in their careers, including therapists and paramedics, as well as nursing and medical students and trainees. We have also increased the number of Trinity staff who teach end of life care on university programmes. At the start of the pandemic we moved our teaching onto virtual platforms.

Our strategic objectives

Trinity's performance against its key objectives for 2020/21 is summarised in the table on page 4 above.

Achievement of strategic objectives

Trinity's strategic objectives did not change throughout the pandemic but we turned our focus to navigating the complexities of the COVID19 pandemic.

Better demonstrate our impact

We continued work on our impact framework, which includes impacts on staff, patients and the wider community. Development of the framework was temporarily put on hold in 2020/21. Some of the learnings from the Team around the Patient (TAP) pilot have been put into practice, including the use of palliative care assistants to aid our work in the community.

Ensure sustainable funding

Financial performance surpassed all expectations in 2020/21. The fundraising team delivered their best performance ever with net contribution of £5.5m. Costs and capital expenditure were reviewed and reduced where possible. Trinity received exceptional income of £4m, assisting the overall achievement of £2.3m surplus. Whilst this is a great result and has improved Trinity's reserves position the issues of long-term sustainability remain. Trinity faces increasing costs each year, as the majority of our costs are staff costs linked to NHS Agenda for Change pay scales and our NHS income remains the same. Whilst we were unable to focus on building sustainability, we have refocused on this for 21/22. We are working with CCG partners to renegotiate the contribution from our NHS contract. Trustees are also looking into investment opportunities for both retail and fundraising. We are heartened by the great performance in Q1 2021/22 and feel with strategic investment in both our current portfolio and new opportunities we can work towards sustainable funding for Trinity.

Reach more people

2473 patients were cared for last year. Occupancy in the inpatient unit was low, a trend seen across the hospice sector.

Plans for 2021/22

The Board has set the following annual targets for 2021/22 and will report performance against these in the annual report & accounts next year.

	Area	Targets	
QUALITY & IMPACT			
1	Quality	Continue to provide accessible specialist palliative and end of life care in a safe, efficient, and compliant way Maintain high quality standards & CQC rating	
2	Impact	Maximise impact on (and reported satisfaction of) patients, family members and our community derived from every pound we spend	
REACH			
3	Volume	Continued progressive increase in overall patient numbers, IPU and community	
4	IPU	Rebuild IPU occupancy during FY22	
FINANCIAL SUSTAINABILITY			
5	Rebuild retail	Establish resized shop portfolio per the retail plan Stretch goal; rebuild average profit per shop towards prior levels	
6	Fundraising	Return to mass participation events Build on pandemic major relationships (e.g. trusts, major donors, corporate)	
7	Hospice	Manage hospice cost base within plan envelope Negotiate new 3-year NHS contract: improved EBITDA and operational flexibility	
8	Cash	Meet profit and cashflow neutral budget performance Comply with Trinity reserves policy & applicable charity financial standards	
RECOVERY			
9	Staff	Support staff to navigate the national roadmap to recovery personally and professionally	
10	Volunteers	Introduce volunteers back to the hospice	
11	Users	Return to face-to-face services within the hospice	
INTEGRATION			
12	Integrated Care Systems	Develop and strengthen relationships and leadership profile in ICSs Seek collaboration opportunities with commissioning, charity, and other agency providers Relationship management programme with GPs, hospitals, and care homes	
DIGITAL WORKING			
13	Systems	New finance system implemented New patient record system implemented External review of IT structures and processes	
14	Service provision	Key services to be available using digital/virtual platforms	
EMPLOYER OF CHOICE			
15	T&Cs	Match Agenda for Change and be a London Living Wage employer	
16	Retention	Development pathways and skill mix to encourage retention and progression	

Risk Management

Trinity considers risk management to be fundamental to good management practice and a significant aspect of corporate and clinical governance. Effective management of risk will provide an essential contribution towards the achievement of Trinity's strategic and operational objectives.

The overall management of risk is the responsibility of the Chief Executive. Trinity's risk management framework is a formal acknowledgement of our commitment to manage risk in a proportionate, meaningful and responsible manner.

The primary risk facing Trinity is financial sustainability due to the ongoing impacts of COVID-19; and also to the continuing real terms reduction in NHS contract income as a result of ongoing financial pressures and changes in the NHS commissioning environment. The risk is mitigated by Trinity's strong balance sheet and reserves position but future income volatility remains a risk.

Revenue risks are mitigated through spreading activities through a range of channels (fundraising across a range of different lines, including events, community, major donors, legacy and trusts to name a few; alongside the retail estate) to ensure we are not dependent on any one income line. The THSL Board and the Finance & Resources Committee separately monitor progress against target on a weekly basis, to ensure early warning of performance falling short of expectations.

Trinity aims to mitigate the risk of statutory income loss by working closely with its clinical commissioners to ensure the services provided by the hospice are of the quality and quantity required and achieve patient outcomes and expectations.

Public benefit

The presumption of public benefit was removed by the Charities Act 2006. Charities are therefore required to demonstrate public benefit. The aims of the charity fall within the criteria of the Charities Act 2011 and thereby the organisation, which has been established exclusively for charitable purposes, is for public benefit. In planning the activities for the year, the trustees have given careful regard to the Charity Commission's guidance on public benefit and considered its implications for the charity. Our Impact Framework provides evidence of our impact and public benefit.

Financial review

This report should be read in conjunction with the financial statements on pages 26 to 40.

Income was £16,450,403 for the year ended 31 March 2021, which was an 8% increase on 2020 (£15,275,222). Retail income reduced by 73% from £6,197,688 to £1,650,180 (excluding the £1m insurance claim). Core patient services income increased from £4,193,197 to £4,236,170. Trinity also received £1,989,783 restricted funding from NHSE to cover bed capacity and community support throughout the pandemic. Fundraising income increased from £3,801,136 in 2020 to £6,087,489 in 2021, (60%) as a result of our emergency appeal and an exceptional year for Trusts income.

Total expenditure reduced by 13% to £14,079,076 (2020: £16,129,435). The cost of inpatient and community and outpatient care decreased by 6% to £9,701,414. The costs of the trading subsidiary decreased by 20% to £3,744,572 mainly due to the closure of 11 shops and COVID-19 related cost reductions. Fundraising costs were reduced by 47% to £560,944 as a result of reducing fundraising staff numbers (2020: £1,052,751).

We ended the year with a surplus of £2,371,327 (2020: £854,214 deficit).

Reserves

The trustees regularly review the reserves requirement. The Board has adopted a liquidity and risk-based approach to reserves, recognising that Trinity's funding and asset base remain well-diversified.

The reserves policy therefore aims to ensure Trinity holds sufficient investment and operating cash to cover the risks associated with short term income volatility, notably retail and legacy income. As a result of COVID-19 Trinity has increased the amount of reserves it deems necessary to hold. This is defined as at least 4 months' worth of operational expenditure and investments plus cash to cover 6-8 months of operational expenditure. At March 2021 Trinity held cash plus investments equal to 8 months of cash cover (£9,808,762).

At 31 March 2021 free reserves, the General Purpose unrestricted fund, increased to £9,483,240 which equals 8.1 months' running costs (2020: £6,335,904, 5.0 months' running costs) (see note 16 in the notes to the accounts).

Designated Funds have decreased from £13,359,411 to £12,701,755, during the year (as per note 16) and represents the net book value of our fixed assets and the market valuation of our investment properties. The reduction is due to depreciation of fixed assets less the increase in fair value of the investment property.

Restricted Funds have increased from £119,458 to £132,148 during the year.

Principal funding sources

Patient services income increased by 1% from £4,913,197 to £4,236,170, which comprises statutory contract income from NHS clinical commissioning groups and funding for specific projects including funding for the Wandsworth EOLCCS. As NHS contract income contributes only 28% of the total cost of running our services, Trinity is reliant on raising the bulk of its income from fundraising and retail activities. Much of our increase in costs comes from meeting the demands of government and health service initiatives, including national pay awards to nurses, doctors and associated health care professionals.

Donations and gifts increased by 79% (from £2,443,329 to £4,372,782).

Income from legacies increased by 26% from £1,357,808 to £1,714,706. We continue to encourage legacy giving through initiatives such as our Free Will Fortnight, as this is an important source of income to us, which can enable us to implement additional projects and further develop our services.

Trinity's charity shops were mandated to close in March 2020 and in December 2020. We were unable to trade for much of the year. The estate is smaller than at the start of the pandemic, with 11 shops closing permanently. Sales were lower than the previous year by 73% reducing from £6,197,688 to £1,650,180.

Exceptional income Trinity was fortunate to benefit from several sources of exceptional income throughout the year totalling £4,278,849. Additional NHSE income, as mentioned above, was £1,989,783. Coronavirus Job Retention Scheme grants totalling £968,882 were claimed. Local authority grants of £309,831 were received. A claim for business interruption insurance of £1,010,354 was received.

Investment policy

Aside from retaining a prudent amount in reserves each year, most of Trinity's funds are to be spent in the short term on end of life care provision.

The investment portfolio is strategic capital and is to be used to facilitate key board objectives. It is not intended to support general running costs but does provide a cushion against any short-term income volatility. The Finance and Resources Committee reviews the investment portfolio performance every six months.

Trinity liquidated its investments in March 2020 and began reinvesting at £300k per month in March 2021, the majority of investments are still held in cash.

No investments were sold during the year. Investments totalling £300,000 were purchased.

Trinity owns an investment property The Elms, valued at £5,000,000. A professional valuation was carried out in June 2021 which increased the value from £4,825,000.

Changes in fixed assets

The movements in fixed assets during the year are set out in note 9 to the financial statements. The Board of Trustees are of the opinion that the open market value of the property is in excess of the book value shown in the financial statements.

Legal and Administrative Information

Members of the Board of Trustees

During the year ended 31 March 2021 and to the date of this report the following served as members of the Board of Trustees:

Adrian Williams	Chairman of the Board of Trustees
Katharine Jackson	Deputy Chair (until 31 May 2021)
James Piper	Honorary Treasurer and Chair of Finance and Resources Committee
Heather Blake	Chair of Patient Services Committee
Geraldine Walters CBE	Member of Patient Services Committee (until 1 February 2021)
William Buller	Member of Finance and Resources Committee (until 1 February 2021)
Dr Felicity Harvey CBE	Member of Patient Services Committee (until 1 October 2020)
Gerard Manley	
Tessa Moore	Member of Finance and Resources Committee
Alison Petit	Member of Finance and Resources Committee
Angela Dawe	Member of Patient Services Committee (Since 1 February 2021)
Angela Marcelle	(Since 1 February 2021)
Sir Andrew Dillon	Member of Patient Services Committee (Since 1 February 2021)
David Carmalt	(Since 1 February 2021)
Jonathan Kembery	Member of Finance and Resources Committee (Since 1 February 2021)
Arvind Tewari	Member of Finance and Resources Committee (Since 1 February 2021)
Stefan Laban	Director of Trinity Hospice Shops Limited (Since 1 February 2021)
Rochelle Roest	Member of Patient Services Committee (Since 1 February 2021)

Royal Patron

HRH the Duchess of Cornwall

Patrons

Her Grace the Dowager Duchess of Grafton GCVO

The Earl of Snowdon

Huw Edwards

Barry Townsley CBE

Guy Dawson

Richard Lockwood

Sir Michael Hintze AM

Alexander Hoare

Richard Briance

The Rt Revd Christopher Chessun

Derek Wyatt

Chief Executive

Dallas Pounds

Company Secretary

Sara Griffin

Principal Advisers

Bankers:

Messrs C Hoare & Co.

37 Fleet Street

London, EC4P 4DQ

Bankers:

Barclays Bank plc.

Level 27

One Churchill Place

London, E14 5HP

Auditors:

Saffery Champness

71 Queen Victoria Street

London, EC4V 4BE

Responsibilities of the Board of Trustees

The trustees (who are also directors of Royal Trinity Hospice for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and 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 group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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.

In so far as the trustees are aware:


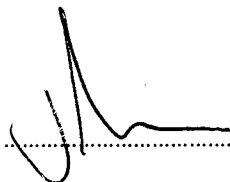
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution proposing that Saffery Champness be re-appointed as auditors of the hospice will be put to the Annual General Meeting.

This Trustees Report and incorporated Strategic Report was approved by the Board of Trustees on

23 July 2021 and signed on their behalf by: -


.....
.....

Adrian Williams

James Piper

Chair of the Board of Trustees

Treasurer

Signed on 2 September 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYAL TRINITY HOSPICE FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Royal Trinity 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 and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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.

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

Matters on which we are required to report by exception

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

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

- 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, 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.

Further, the parent charitable company 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 a significant fine, litigation, prosecution or restrictions on the parent charitable company's operations. We identified the most significant laws and regulations to be those issued by the Care Quality Commission ('CQC') covering the provision of health and social care in England.

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, including the CQC, 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.

**ROYAL TRINITY HOSPICE
AND SUBSIDIARY COMPANY**

**Consolidated Statement of Financial Activities (incorporating consolidated income and
expenditure account) for the year ended 31 March 2021**

	General purpose funds	Restricted funds	Endowment funds	Total 2021	Total 2020
Note	£	£	£	£	£
Income from:					
Donations and Legacies					
- Donations	4,147,519	225,263	-	4,372,782	2,443,329
- Legacies	1,714,706	-	-	1,714,706	1,357,808
<i>Charitable activities:</i>					
- Patient services	4,174,170	62,000	-	4,236,170	4,193,197
- Education	6,126	-	-	6,126	36,758
- NHSE Coronavirus support	-	1,989,783	-	1,989,783	-
<i>Other trading activities:</i>					
- Sale of donated goods	1,606,438	-	-	1,606,438	6,062,470
- Income of trading subsidiary	4 1,053,742	-	-	1,053,742	135,218
- Property income	167,141	-	-	167,141	230,231
Investment income	2 17,702	-	-	17,702	133,494
Other income	4 1,285,813	-	-	1,285,813	682,717
Total income	14,173,357	2,277,046	-	16,450,403	15,275,222
Expenditure on:					
<i>Raising funds:</i>					
Fundraising and publicity	560,944	-	-	560,944	1,052,751
Costs of trading subsidiary	3,744,572	-	-	3,744,572	4,706,153
Property expense	35,579	-	-	35,579	24,384
<i>Charitable activities:</i>					
- In patient care	4,299,150	1,163,166	-	5,462,316	6,059,492
- Community & outpatient care	3,137,908	1,101,190	-	4,239,098	4,286,655
Other Expenditure (Loss on Sale)	36,567	-	-	36,567	-
Total expenditure	5 11,814,720	2,264,356	-	14,079,076	16,129,435
Net income / (expenditure) before recognised gains	2,358,637	12,690	-	2,371,327	(854,214)
<i>Gains / (losses) on other investments:</i>	(33)	-	(460)	(493)	(231,150)
<i>Gains / (losses) on investment property:</i>	175,000	-	-	175,000	-
Net income / (expenditure) before Tax	2,533,604	12,690	(460)	2,545,835	(1,085,363)
Tax Payable	(43,925)	-	-	(43,925)	-
Net income / (expenditure) after Tax	2,489,679	12,690	(460)	2,501,910	(1,085,363)
Transfer between funds	-	-	-	-	-
Net movement in funds	2,489,679	12,690	(460)	2,501,910	(1,085,363)
Fund balances brought forward at 1 April 2020	19,695,317	119,458	279,943	20,094,718	21,180,081
Fund balances at 31 March 2021	22,184,996	132,148	279,483	22,596,627	20,094,718

General purpose funds and designated funds are both unrestricted funds. The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 29 to 40 form part of these financial statements.


**ROYAL TRINITY HOSPICE
AND SUBSIDIARY COMPANY**
Balance Sheets as at 31 March 2021

	Note	Group		Charity	
		2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	9	7,701,755	8,534,411	7,701,755	8,534,411
Investment property	10	5,000,000	4,825,000	5,000,000	4,825,000
Investments	11	5,250,646	5,251,027	5,250,649	5,251,030
		<u>17,952,401</u>	<u>18,610,438</u>	<u>17,952,404</u>	<u>18,610,441</u>
Current assets					
Stock		32,151	42,956	17,744	12,859
Debtors	12	2,529,268	1,633,117	2,197,443	1,286,791
Cash at bank and in hand		4,558,116	933,676	4,413,013	752,130
		<u>7,119,535</u>	<u>2,609,749</u>	<u>6,628,200</u>	<u>2,051,780</u>
Creditors: amounts falling due within one year	13	<u>2,475,309</u>	<u>1,125,471</u>	<u>1,983,977</u>	<u>567,505</u>
Net current assets		4,644,225	1,484,278	4,644,223	1,484,275
Net assets		<u>22,596,627</u>	<u>20,094,716</u>	<u>22,596,627</u>	<u>20,094,716</u>
Funds					
Unrestricted funds					
Designated funds - cost	16	9,445,381	10,278,037	9,445,381	10,278,037
Designated funds - revaluation	16	3,256,374	3,081,374	3,256,374	3,081,374
General purpose funds - cost	16	9,483,273	6,335,904	9,483,273	6,335,904
General purpose funds - revaluation		(33)	-	(33)	-
Restricted funds	15	132,148	119,458	132,148	119,458
Endowment funds					
Cost	14	279,943	279,943	279,943	279,943
Revaluation		(460)	-	(460)	-
Total funds		<u>22,596,627</u>	<u>20,094,716</u>	<u>22,596,627</u>	<u>20,094,716</u>

The notes on pages 29 to 40 form part of these financial statements.

As permitted by the Companies Act, the income and expenditure account of the parent company has not been separately presented in the financial statements. The net income of Royal Trinity Hospice was £2,456,018 (2020 net loss - £1,085,363).

Approved by the Board of Trustees on 23 July 2021
and signed on its behalf by:


Adrian Williams
Chairman

Signed on 2 September 2021

Company Registration No: 2673845 (England and Wales)

**ROYAL TRINITY HOSPICE
AND SUBSIDIARY COMPANY**

Consolidated Cashflow Statement for the year ended 31 March 2021

	Note	£	Group 2021 £	£	Group 2020 £
Net cash provided by operating activities	(i)		3,673,180		57,929
Cashflows from investing activities: Returns on investments					
Investing activities					
Dividends, interest and rent from investment properties		17,702		133,494	
Purchase of tangible fixed assets		(73,431)		(500,734)	
Receipts from Sale of fixed assets		7,100		7,717	
Purchase of investments		(300,000)		(3,665,840)	
Receipts from sale of investments		-		5,550,415	
			<u>(348,629)</u>		<u>1,525,052</u>
Movement in cash and cash equivalents	(ii)		<u>3,324,551</u>		<u>1,582,981</u>

Notes to the cashflow statement

(i) Reconciliation of net income / (expenditure) to net cash inflow from operating activities

	Group 2021 £	Group 2020 £
Net income / (expenditure) for the year (as per the statement of financial activities)	2,371,327	(854,213)
Adjustments for:		
Dividends and interest earned on investments	(17,702)	(133,494)
Tax	(43,925)	-
Other non cash - investment fees	-	45,879
Depreciation of tangible fixed assets	869,520	890,071
(Profit) / Loss on sale of fixed assets	29,468	(7,717)
(Increase)/decrease in stock	10,805	(3,337)
(Increase)/decrease in debtors	(896,151)	(143,446)
(Decrease)/increase in creditors	<u>1,349,838</u>	<u>264,186</u>
	<u>3,673,180</u>	<u>57,929</u>

(ii)

Analysis of changes in net debt

	Opening 2021 £	Cashflow movement £	non-cash changes £	Closing 2021 £
Operating Cash	933,676	3,624,440	-	4,558,116
Investment Cash	<u>5,251,027</u>	<u>(299,889)</u>	-	<u>4,951,138</u>
Total	<u>6,184,703</u>	<u>3,324,551</u>	-	<u>9,509,254</u>

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

1. Accounting policies

a. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Royal Trinity Hospice meets the definition of a public benefit entity under FRS 102. The financial statements are presented in sterling, rounded to the nearest pound. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

b. Preparation of the accounts on a going concern basis

The COVID-19 pandemic created enormous financial challenges including closure of shops and reduction in retail income. Our financial goal for 2021/22 remains to produce a broadly cash neutral outturn after capital expenditure; at the date of these accounts that remains an achievable target. The reopening of our retail estate on 12th April has proved successful so far and fundraising continues to perform well, although not at the record levels seen in 20/21.

As at 30th June 2021 liquid assets had increased to £9.9m, 8.5 months of operating costs. Whilst uncertainties remain we expect combined retail, fundraising and NHS income to cover patient care this year. On this basis the accounts are prepared as a going concern.

c. Basis of consolidation

- i) The consolidated accounts of the group incorporate the financial statements of the charity and its trading subsidiary company, both of which were made up to 31 March 2021.
- ii) The agency fee charged by the subsidiary to the charity is treated as part of shops' costs in the consolidated statement of financial activities (SOFA).
- iii) The income and expenditure of the subsidiary are disclosed separately in the SOFA.
- iv) A separate SOFA for the charity is not provided.

d. Taxation

Income tax recoverable in respect of donations, investment income and legacies is included under the heading to which it relates.

e. Incoming resources

- i) All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution and the legacy being received.
- ii) Where the charity has been notified of material legacies that have not been included in the SOFA (because the conditions for recognition have not been met), this fact and an estimate, where possible, of the amounts receivable are disclosed in the notes to the accounts.
- iii) Grants, amounts arising under NHS contracts and trading income are accounted for on the basis of the amount receivable for the year.
- iv) Investment income is accounted for on a receivable basis, including recoverable tax.

f. Expenditure

All revenue expenditure has been dealt with through the SOFA on an accruals basis. Direct costs have been allocated to their appropriate functional headings. Indirect overheads have been apportioned to these headings on the basis of a fair estimate of time spent or resources used.

g. Governance and support costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. Governance and support costs are allocated between the expenditure categories on the statement of financial activities on a basis designed to reflect the use of the resource.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

- 1. Accounting policies (continued)**
- h. Shops' operating costs
Costs incurred in acquiring shop leases and improvements thereon are capitalised as incurred and depreciated over five years.
- i. Investments
Fixed asset investments are valued at cost. Listed investments are stated at mid-market value at close of business on the balance sheet date. Realised and unrealised gains and losses on investments are accounted for in the SOFA.
- j. Investment property
Investment properties are held at fair value, deemed to be market value. Changes in the market value of investment properties are taken to the SOFA.
- k. Depreciation
Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over their expected useful life as follows:
- | | |
|------------------------------------|----------|
| - Freehold property | 25 years |
| - Freehold property improvements | 20 years |
| - Equipment, fixtures and fittings | 5 years |
| - Computer equipment | 4 years |
- l. Stocks
Stocks comprise unsold donated goods and goods purchased for resale. Unsold donated goods are not valued for balance sheet purposes since the amount is uncertain and the directors of the subsidiary company consider their value to be immaterial. Goods purchased for resale are valued at the lower of cost and net realisable value.
- m. Financial instruments
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest rate method.
- n. Operating leases
Rentals payable under operating leases are charged on a straight line basis over the term of the lease. Any rent premiums are written off immediately.
- o. Designated funds
Royal Trinity Hospice may, at its discretion, set aside funds for specific purposes which would otherwise form part of the general reserves of the organisation. Specifically, funds are set aside which represent the investment made or to be made in buildings and equipment for use by the charity. Other funds are set aside to represent the trustees' commitment to future projects. As such, they are not available for other purposes.
- p. Restricted funds
Distributions from restricted resources must be used for purposes consistent with donor intentions and should be the first source of funding to support programmes and activities meeting the restriction.
- q. Unrestricted funds
General funds are funds which are available for the general purposes of the charity. These funds will be spent in a way that the trustees see fit in accordance with the stated objectives of the charity.
- r. Pensions
Royal Trinity Hospice contributes to two pension schemes on behalf of its employees. The first is a group personal pension scheme, which is a defined contribution scheme. The second is the National Health Service Pensions Agency scheme, which offers defined benefits to its members. This is an approved multi-employer scheme as defined in FRS 102 and accordingly is accounted as a defined contribution scheme.

Consequently the payments under both schemes are charged to the SOFA as they become payable.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

2. Investment income

	2021	2020
	£	£
Income from listed investments	11,634	121,207
Other interest receivable and similar income	6,069	12,287
	<u>17,703</u>	<u>133,494</u>

3. Net income from Trinity Hospice Shops Limited

The charity has a wholly owned trading subsidiary, Trinity Hospice Shops Limited, which is incorporated in England and Wales (company number 01946988, registered office 30 Clapham Common Northside, London, SW4 0RN) and undertakes two main activities:

- i) The company acts as agent in selling donated goods on behalf of the charity.
- ii) The company conducts, as principal, the trading activity of selling greeting cards and other merchandise. The profits arising are donated to the charity by an annual payment under Gift Aid.

At 31 March 2021 the company had 22 trading shops (2020 - 31 shops).

Agency agreement

Under the terms of the agency agreement, all income from the sale of donated goods totalling £1,526,330 for the year (2020 - £5,726,168) is passed directly to the charity. This income is therefore not included in the profit and loss account of the trading subsidiary, as shown below. The charity is charged an agency fee by the subsidiary which is shown as income in the subsidiary company's profit and loss account. Usually the agency fee equals the expenses incurred in selling of goods. As 2021 was a loss making year the agency fee is equal to the total sales of donated goods for the year.

Profit and loss account 2021

	Trinity Hospice Shops Ltd	Comprising:	
	£	Agency £	Trading £
Turnover (agency fee / trading income)	3,760,829	1,526,330	2,234,499
Less cost of sales	<u>(32,287)</u>	<u>-</u>	<u>(32,287)</u>
Gross profit	3,728,542	1,526,330	2,202,212
Administration expenses (shop operating costs)	<u>(3,815,403)</u>	<u>(1,526,330)</u>	<u>(2,289,073)</u>
Net profit for the year	(86,861)	-	(86,861)
Gift aid payment prior year adjust	318,226	-	318,226
Gift aid payment	-	-	-
Tax	<u>(43,925)</u>	<u>-</u>	<u>(43,925)</u>
Retained profit for the year	<u>187,440</u>	<u>-</u>	<u>187,440</u>

The comparative Profit and loss account for 2020 is as follows:

Profit and loss account 2020

	Trinity Hospice Shops Ltd	Comprising:	
	£	Agency £	Trading £
Turnover (agency fee / trading income)	4,879,395	4,744,177	135,218
Less cost of sales	<u>(52,681)</u>	<u>-</u>	<u>(52,681)</u>
Gross profit	4,826,714	4,744,177	82,537
Administration expenses (shop operating costs)	<u>(4,744,177)</u>	<u>(4,744,177)</u>	<u>-</u>
Other income	675,000	-	675,000
Net profit for the year	82,537	-	82,537
Gift aid payment	<u>(757,537)</u>	<u>-</u>	<u>(757,537)</u>
Retained profit for the year	<u>-</u>	<u>-</u>	<u>-</u>

Income from the sale of donated goods is not included in the subsidiary company's profit and loss account.

	Total 2021 £	Total 2020 £
The assets and liabilities of the subsidiary were:		
Current assets	650,519	1,208,005
Current liabilities	<u>(463,076)</u>	<u>(1,208,002)</u>
Total net assets	<u>187,443</u>	<u>3</u>
Aggregate share capital and reserves	<u>187,443</u>	<u>3</u>

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

4. Analysis of total resources expended
2020/21

a) Income from trading subsidiary

Income from trading subsidiary includes £1,010,354 business interruption insurance claim

b) Government Grants

Coronavirus Job Retention Scheme
Local authority business rate grants

	2021	2021
	968,882	-
	309,831	675,000
	<u>1,278,712</u>	<u>675,000</u>

5. Analysis of total resources expended
2020/21

	Staff costs	Direct costs	Management	Total 2021
	£	£	£	£
Charitable expenditure				
Inpatient care	2,926,515	634,789	1,901,012	5,462,316
Community & outpatient care	2,461,700	53,651	1,723,747	4,239,098
Hospice services	5,388,215	688,439	3,624,759	9,701,414
Costs of generating funds				
Fundraising and publicity	489,988	70,956	-	560,944
Trading subsidiary	2,016,860	1,727,712	-	3,744,572
Property expense	1,930	33,649	-	35,579
Loss on sale	-	36,567	-	36,567
	<u>7,896,993</u>	<u>2,557,324</u>	<u>3,624,759</u>	<u>14,079,076</u>

2019/20

	Staff costs	Direct costs	Management	Total 2020
	£	£	£	£
Charitable expenditure				
Inpatient care	3,405,923	565,163	2,088,406	6,059,492
Community & outpatient care	2,669,397	53,989	1,563,269	4,286,655
Hospice services	6,075,320	619,152	3,651,675	10,346,147
Costs of generating funds				
Fundraising and publicity	811,289	241,462	-	1,052,751
Trading subsidiary	2,400,177	2,305,976	-	4,706,153
Property expense	1,922	22,462	-	24,384
	<u>9,288,708</u>	<u>3,189,053</u>	<u>3,651,675</u>	<u>16,129,435</u>

**Total
2021
£**

**Total
2020
£**

Support costs

Staff costs	1,866,629	1,852,343
Insurance	49,238	58,034
Depreciation	869,520	890,071
Legal & professional fees	21,987	28,195
Bank charges	3,337	5,097
Repairs & maintenance	129,137	132,776
Utilities & rates	144,202	124,948
Other support costs	519,071	540,383
Subtotal support costs	<u>3,603,121</u>	<u>3,631,847</u>

Governance costs

Audit fees	19,250	19,325
Trustees expenses	2,388	503
Subtotal governance costs	<u>21,638</u>	<u>19,828</u>

Total management support

	<u>3,624,759</u>	<u>3,651,675</u>
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Notes to the Consolidated Financial Statements for the year ended 31 March 2021

6. Net income for the year

This is stated after charging:

Depreciation	869,520	890,071
Auditor remuneration		
- Audit fee	19,250	19,875
- Other services (including tax and VAT advice)	2,930	1,450
Operating leases - charity shop rentals	1,344,306	1,446,252
Operating leases - van rentals	11,299	8,238

7. Staff costs

	Total 2021 £	Total 2020 £
Staff remuneration:		
Salaries and wages	7,591,797	8,348,022
Social security costs	748,696	824,249
Pension costs	586,134	606,932
	<u>8,926,627</u>	<u>9,779,203</u>
Agency and contract staff	808,636	1,325,556
Other costs	28,359	36,292
	<u>9,763,622</u>	<u>11,141,050</u>
Staff costs (note 4)	7,896,993	9,288,708
Staff costs included in indirect costs (note 4)	1,866,629	1,852,343
	<u>9,763,622</u>	<u>11,141,051</u>

Agency and contract staff in 2021 includes £489,988 (2020 - £811,289) re contracted out fundraising and PR services. Statutory redundancy payments totalling £55,274 were paid to 16 members of staff in the year.

The NHS Superannuation Scheme

For qualifying Royal Trinity 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 was 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 year ended 31 March 2021 for the Royal Trinity Hospice was £289,571 (2020: £264,272). The Government Actuary, using the Projected Unit Method, determines contributions charged to the Statement of Financial Activities.

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 Royal Trinity 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 31 March 2020, updated to 31 March 2021 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.

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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

7. Staff Costs (continued)

The number of employees whose total remuneration exceeded £60,000 and above was as follows:

	Number 2021	Number 2020
£60,000 to £69,999	4	3
£70,000 to £79,999	-	1
£80,000 to £89,999	2	1
£90,000 to £99,999	-	1
£100,000 to £109,999	2	2

The average number of employees, analysed by function was:

	Number 2021	Number 2020
Hospice services	164	177
Charity shops	83	83
	<u>247</u>	<u>259</u>

Bank (zero contract hours) and agency staff have not been included in the staff numbers.

No remuneration was paid to any member of the Board of Trustees during the year, or the previous year; expenditure totalling £2,388 (2020- £503) was spent on the trustee recruitment (£2,200) and one trustee attending a trustee training course (£83).

Trustee donations to Royal Trinity Hospice were £10,190 (2020: £47,652).

The Charity purchased insurance for Board Members and officers of the company during the year to indemnify them against possible liabilities incurred in relation to their duties. The cost of the insurance was £268 (2020-£269).

The key management personnel of the group, parent charity and the wholly owned subsidiary comprise of the trustees, the Chief Executive Officer, the Chief Operating Officer, the Medical Director, the Finance Director, the Director of HR &OD, Director of Patient Services and the Director of Retail. The total employee benefits of the key management personnel was £613,146 (2020: £578,813).

8. Related party transactions

Transactions with Trinity Hospice Shops Ltd are referred to in note 3.

Trustee related party transactions are referred to in note 6.

9. Tangible fixed assets

	Freehold property	Hospice equipment	Computer equipment	Group and Charity total
	£	£	£	£
Cost				
Balance at 1 April 2020	13,417,519	3,087,733	924,384	17,429,637
Reclassification	-	-	-	-
Additions	-	19,228	54,203	73,431
Disposals / write-offs	-	(116,827)	(228)	(117,055)
Transfers	-	-	-	-
Balance at 31 March 2021	<u>13,417,519</u>	<u>2,990,134</u>	<u>978,359</u>	<u>17,386,012</u>
Accumulated depreciation				
Balance at 1 April 2020	5,849,288	2,314,850	731,087	8,895,225
Charge for the year	532,504	259,166	79,683	871,353
Disposals / write-offs	-	(82,093)	(228)	(82,321)
Balance at 31 March 2021	<u>6,381,792</u>	<u>2,491,923</u>	<u>810,542</u>	<u>9,684,257</u>
Net Book value at 31 March 2021	<u>7,035,727</u>	<u>498,211</u>	<u>167,817</u>	<u>7,701,755</u>
Net Book value at 31 March 2020	<u>7,568,231</u>	<u>772,883</u>	<u>193,297</u>	<u>8,534,411</u>

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

10. Investment property

The investment property is The Elms, 29 Clapham Northside. This was previously part of the hospice and has now been converted into flats. The investment property valuation was undertaken in June 2021 by Sophie Jackson who is registered with the Royal Institution of Chartered Surveyors. The valuation shows that the market value of the property has increased to £5,000,000.

	Group and Charity total £
Market value at 1 April 2020	4,825,000
Additions	-
Transfers	-
Less: Disposals at Opening Valuation	-
Revaluation to MV	175,000
Market value at 31 March 2021	<u>5,000,000</u>
Historical cost as at 31 March 2021	<u>1,743,626</u>
Historical cost at 31 March 2020	<u>1,743,626</u>

11. Fixed asset investments

	Note	Group		Charity	
		2021 Total £	2020 Total £	2021 Total £	2020 Total £
Investment in subsidiary undertaking		-	-	3	3
Other investments	9 a) & b)	<u>5,250,646</u>	<u>5,251,027</u>	<u>5,250,646</u>	<u>5,251,027</u>
		<u>5,250,646</u>	<u>5,251,027</u>	<u>5,250,649</u>	<u>5,251,030</u>

a) Other investments

	Endowment Funds Garden £	Investment fund £	2021 Total £	2020 Total £
Market value at 31 March 2020	279,943	4,971,084	5,251,027	5,549,226
Reclassification	-	-	-	-
Less: Disposals at historic cost	-	-	-	(5,459,344)
Add: Acquisitions at cost	279,942	20,058	300,000	3,665,840
Transfer	-	-	-	105,420
Net unrealised investment gains/(loss)	(460)	(33)	(493)	(472,525)
Movements in cash investments held	(279,942)	(19,946)	(299,888)	1,862,410
Market value at 31 March 2021	<u>279,483</u>	<u>4,971,163</u>	<u>5,250,646</u>	<u>5,251,027</u>
Historical cost as at 31 March 2021	<u>279,942</u>	<u>4,971,195</u>	<u>5,251,138</u>	<u>5,251,027</u>

11. b) Analysis of other investments

	Endowment funds Garden £	Investment fund £	2021 Total £	2020 Total £
UK investments listed on a recognised stock exchange:				
- Cash	-	4,951,138	4,951,138	5,251,027
- Unit trusts	279,483	20,025	299,508	-
Market value at 31 March 2021	<u>279,483</u>	<u>4,971,163</u>	<u>5,250,646</u>	<u>5,251,027</u>

11. c) Investments considered material in the context of the market value of the portfolio

We have no investments that we consider material in the context of the market value of the portfolio. We have £4,951,138 of cash held for investment but available for use as working capital if required.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

12. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Other debtors	1,806,214	357,457	1,806,213	357,457
Amounts owed by subsidiary undertaking	(0)	151	159,184	650,186
Taxation recoverable	122,104	155,342	122,104	155,342
Prepayments and accrued interest	600,950	1,120,167	109,942	123,806
	<u>2,529,268</u>	<u>1,633,117</u>	<u>2,197,443</u>	<u>1,286,791</u>

13. Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	70,966	120,383	70,966	120,383
Taxation and social security	169,649	211,676	169,649	211,676
Other creditors	1,946,618	605,126	1,666,399	108,884
Accruals	288,078	188,287	76,963	126,562
	<u>2,475,309</u>	<u>1,125,471</u>	<u>1,983,977</u>	<u>567,505</u>

14. Endowments

Expendable endowment:

The Garden Endowment fund	2021	2020
	£	£
Balance at 31 March 2020	279,943	302,308
Incoming Resources	-	-
Gains/(Losses) & transfer	(460)	(22,365)
Balance at 31 March 2021	<u>279,483</u>	<u>279,943</u>

The Garden Endowment Fund was established by the Friends of Lanning Roper deceased to provide income for the maintenance of the Hospice gardens. The funds are represented by fixed asset investments and related cash balances.

15. Restricted income funds

	2021	2020
	£	£
	Total	Total
Balance at 31 March 2020	119,458	112,373
Incoming Resources	2,277,045	329,468
Expenditure	(2,264,355)	(278,271)
Gains/(Losses) & transfer	-	(44,112)
Balance at 31 March 2021	<u>132,148</u>	<u>119,458</u>

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

16. Unrestricted funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Board of Trustees for specific purposes:

	Balance at 31 March 2020	Designations from / (to) other funds	Utilised / (released)	Balance at 31 March 2021
	£	£	£	£
Building fund				
Fixed assets	7,568,231	-	(532,504)	7,035,727
	<u>7,568,231</u>	<u>-</u>	<u>(532,504)</u>	<u>7,035,727</u>
Equipment fund				
Fixed assets	966,181	(43,624)	(256,528)	666,028
	<u>966,181</u>	<u>(43,624)</u>	<u>(256,528)</u>	<u>666,028</u>
Designated funds -fixed assets	<u>8,534,411</u>	<u>(43,624)</u>	<u>(789,032)</u>	<u>7,701,755</u>
Designated fund investment property				
Investment property -cost	1,743,626	-	-	1,743,626
Investment property -revaluation	3,081,374	-	175,000	3,256,374
	<u>4,825,000</u>	<u>-</u>	<u>175,000</u>	<u>5,000,000</u>
Total designated funds	<u>13,359,411</u>	<u>(43,624)</u>	<u>(614,032)</u>	<u>12,701,755</u>

	Movement in funds			Balance 31 March 2021
	Balance 31 March 2020	Incoming resources	Expenditure gains/(losses) & transfers	
	£	£	£	£
General funds	6,355,904	14,173,357	(11,046,021)	9,483,240
	<u>6,355,904</u>	<u>14,173,357</u>	<u>(11,046,021)</u>	<u>9,483,240</u>

Analysis of Group Net Assets between Funds

Fund balances at 31 March 2021 are represented by:

	Unrestricted Funds	Restricted Funds	Endowment Funds	2021 Total
	£	£	£	£
Tangible fixed assets	7,701,755	-	-	7,701,755
Investment property	5,000,000	-	-	5,000,000
Investments	4,971,163	-	279,483	5,250,646
Stock	32,151	-	-	32,151
Debtors	2,529,268	-	-	2,529,268
Cash at bank and in hand	4,425,968	132,148	-	4,558,116
Current liabilities	(2,475,309)	-	-	(2,475,309)
Total net assets	<u>22,184,996</u>	<u>132,148</u>	<u>279,483</u>	<u>22,596,627</u>

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

16. Unrestricted funds (continued)

<i>Prior Year Comparison</i>	<i>Balance at 31 March</i>	<i>Designations from / (to) other funds</i>	<i>Utilised / (released)</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£
Building fund				
<i>Fixed assets</i>	8,100,735	-	(532,504)	7,568,231
	<u>8,100,735</u>	<u>-</u>	<u>(532,504)</u>	<u>7,568,231</u>
Equipment fund				
<i>Fixed assets</i>	824,009	500,734	(358,568)	966,181
	<u>824,009</u>	<u>500,734</u>	<u>(358,568)</u>	<u>966,181</u>
Designated funds -fixed assets	<u>8,924,744</u>	<u>500,734</u>	<u>(891,072)</u>	<u>8,534,412</u>
Designated fund investment property				
<i>Investment property -cost</i>	1,743,626	-	-	1,743,626
<i>Investment property -revaluation</i>	3,081,374	-	-	3,081,374
	<u>4,825,000</u>	<u>-</u>	<u>-</u>	<u>4,825,000</u>
Total designated funds	<u>13,749,744</u>	<u>500,734</u>	<u>(891,072)</u>	<u>13,359,412</u>

	<i>Movement in funds</i>			<i>Balance 31 March 2020</i>
	<i>Balance 31 March 2019</i>	<i>Incoming resources</i>	<i>Expenditure gains/(losses) & transfers</i>	
	£	£	£	
<i>General funds</i>	7,015,656	14,945,754	(15,605,506)	6,355,904
	<u>7,015,656</u>	<u>14,945,754</u>	<u>(15,605,506)</u>	<u>6,355,904</u>

*Analysis of Group Net Assets between Funds**Fund balances at 31 March 2020 are represented by:*

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>2020 Total</i>
	£	£	£	£
<i>Tangible fixed assets</i>	8,534,412	-	-	8,534,412
<i>Investment property</i>	4,825,000	-	-	4,825,000
<i>Investments</i>	4,971,084	-	279,943	5,251,027
<i>Stock</i>	42,956	-	-	42,956
<i>Debtors</i>	1,633,117	-	-	1,633,117
<i>Cash at bank and in hand</i>	814,218	119,458	-	933,676
<i>Current liabilities</i>	(1,125,471)	-	-	(1,125,471)
Total net assets	<u>19,695,315</u>	<u>119,458</u>	<u>279,943</u>	<u>20,094,717</u>

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

17. Legal status of Royal Trinity Hospice

Royal Trinity Hospice is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. Members are liable for a period up to one year after they cease membership.

18. Operating leases

At 31 March 2021, there were the following total commitments under non-cancellable operating leases with respect to the charity shops:

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Short leasehold premises				
Operating leases which expire:				
Within one year	1,130,951	1,267,584	-	-
Within two to five years	1,353,959	3,615,704	-	-
Over five years	5,903,004	1,752,091	-	-
	<u>8,387,914</u>	<u>6,635,379</u>	<u>-</u>	<u>-</u>
Vehicles				
Operating leases which expire:				
Within one year	11,299	11,328	-	-
Within two to five years	15,871	26,340	-	-
Over five years	-	-	-	-
	<u>27,170</u>	<u>37,667</u>	<u>-</u>	<u>-</u>
19. Provision for onerous leases	2021			
	£			
	Total			
Balance at 31 March 2020	-			
Additions in the year	134,576			
Utilised during the year	-			
Balance at 31 March 2021	<u>134,576</u>			

A provision for onerous leases was created for contracts for leasehold retail properties for shops that will no longer be operated or that will not be operated profitably. The provision is the net costs of exiting the contracts. The payments to be made against the provision are all expected to be made in financial year 2021/22.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

20. Comparative Statement of Financial Activities

	General purpose funds £	Restricted funds £	Endowment funds £	Total 2020 £
Income				
<i>Voluntary income:</i>				
- Donations	2,138,530	304,799	-	2,443,329
- Legacies	1,357,808	-	-	1,357,808
<i>Income from charitable activities:</i>				
- Patient services	4,178,197	15,000	-	4,193,196
- Education	36,758	-	-	36,758
<i>Income from other trading activities:</i>				
- Sale of donated goods	6,062,470	-	-	6,062,470
- Income of trading subsidiary	135,218	-	-	135,218
- Property income	230,231	-	-	230,231
Investment income	123,825	9,669	-	133,495
Other Income	682,717	-	-	682,717
Total income	14,945,754	329,468	-	15,275,222
Expenditure				
<i>Costs of raising funds:</i>				
Fundraising and publicity	1,052,751	-	-	1,052,751
Costs of trading subsidiary	4,706,153	-	-	4,706,153
Property expense	24,384	-	-	24,384
<i>Expenditure on charitable activities:</i>				
- In patient care	6,011,861	47,631	-	6,059,492
- Community & outpatient care	4,056,015	230,640	-	4,286,655
Total expenditure	15,851,164	278,271	-	16,129,435
<i>Net income / (expenditure) before recognised gains</i>				
	(905,410)	51,197	-	(854,213)
<i>Gains / (losses) on other investments:</i>				
	(208,785)	-	(22,365)	(231,150)
<i>Gains / (losses) on investment property:</i>				
	-	-	-	-
Net income / (expenditure) before other gains / (losses)	(1,114,195)	51,197	(22,365)	(1,085,363)
<i>Transfer between funds</i>				
	44,112	(44,112)	-	-
Net movement in funds	(1,070,083)	7,085	(22,365)	(1,085,363)
<i>Fund balances brought forward at 1 April 2019</i>				
	20,765,400	112,373	302,308	21,180,081
Fund balances at 31 March 2020	19,695,317	119,458	279,943	20,094,717