

**HOSPICE OF THE GOOD SHEPHERD  
COMPANY LIMITED BY GUARANTEE**

**Group Financial Statements**

**For the year ended  
31st March 2021**

Company Registration Number: 1843427

Charity Number: 515516



## Our Year in Numbers.....



**Adult Bereavement  
Services supports 400  
people**



**1048 Children's  
Reflect Consultations**



**203 calls to our 24 hour  
telephone advice line**



**Over 365 Volunteers**



**112 Patients & Carers  
received Complimentary  
Therapy**



**192 Inpatients**

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## Chair's Report

This is my third year as Chair of Hospice of the Good Shepherd, and it has been a year that we could not have foreseen and one that for many has been truly devastating. At our year end in March 2020, the impact of Covid was beginning to be felt across the UK. Our Board and Leadership Team came together to put in place a strategy to enable us to continue to offer our essential services while keeping staff, patients and their families as safe as possible. We have continued to work closely with our partners across Healthcare and the Third Sector as a whole. I am pleased to report that with incredible dedication from our staff and volunteers, together with an overwhelming response from our community, we have continued throughout to support patients and their loved ones, keeping them at the heart of what we do. We all recognise that it is a special privilege to be able to care for patients with life-limiting illness through to end-of-life care and to support families with bereavement counselling.



However, significant operational changes were necessary. It was with a very heavy heart that we had to limit access to the Hospice and allow only to patients and key staff, and as soon as we could we re-opened for visitors of patients staying with us. Our main Reception was closed and in line with government lockdowns, our retail shops were closed for most of the year. Our non-healthcare staff were able to work remotely, reducing risk to staff and patients, whilst the Board and the Executive Team have continued to hold our schedule of regular committees and meetings using video technology. Additional meetings have been scheduled as national advice changed. Thanks to the hard work of our staff and adherence to all infection, prevention and control standards together with a strict testing regime, we have avoided any COVID outbreaks, an achievement we are very proud of.

Our mission continues to be to help improve the quality of life for those living with any incurable illness and to give support to families, friends, and carers. Despite all the challenges we have faced we have supported people from the West Cheshire and Deeside area, providing direct and indirect care through our Living Well Services and stays in our In-Patient Unit.

The COVID-19 pandemic has also had a significant impact on the finances of the Hospice but the Board are proud of how the team has adapted and developed new ideas. The closure of our shops and the cancelling of large public fundraising events led to a significant loss of income but we have had tremendous support for our virtual events and our special Community appeal. We also received significant Covid Impact funding from the UK Government which means we enter 2021/2022 on a stable financial footing. We will continue to build on and learn from our successes to do even more to improve our financial stability and we aim to ensure that all our income and donations are spent to best effect.

I would like to put on record the Board's thanks to our CEO, Margret Wright, who led us through the calendar year of the pandemic before retiring in December. Following a rigorous recruitment

process, I was delighted to welcome Rhian Edwards as our new CEO and she quickly settled into the role leading the senior team and building on the solid foundations put in place by Margaret. In just a short time with us, Rhian is already leading innovation and developing new relationships that will mean we can deliver the best care and support for our communities.

It is a special privilege to be able to care for patients with life-limiting illness through to end-of-life care and ultimately offer families and carers bereavement support. It is why it remains an honour to chair this wonderful organisation and everything it offers the West Cheshire and Deeside communities.

I would like to thank my fellow trustees, who are all volunteers, for their support throughout this difficult year and the Hospice team for all they have achieved in the most demanding and difficult circumstances any of us could have imagined.

Finally, I would like to thank all of our volunteers, supporters, donors and residents in the community that we serve for their continued support; we will never take it for granted.

Robert Mee

**High Sheriff of Chester and  
Chair of Trustees, Hospice of the Good Shepherd.**

## Trustees' Report (Incorporating Directors' and Strategic Reports)

### About Us

The Hospice of the Good Shepherd is here to help the people of Cheshire West, Chester, Ellesmere Port and Deeside who are living with life-limiting conditions and who need specialist palliative care.

Working closely with other health care professionals, our specialist team of medical and nursing staff deliver quality palliative and end-of-life care to our patients as well as offering support to those important to them. Our services are varied across a range of disciplines and reflect the diverse nature of need experienced by those accessing our care.

Sadly, death is unavoidable, and for some people it happens quickly and with no notice. There are then those people that receive a diagnosis of an illness and ultimately an illness that cannot be cured. We provide specialist palliative care for people with cancer and other life-limiting illnesses, at all stages of their illness. Our team is here to work alongside other professionals to support all these people to ensure their quality of life is the best it can be. This can be by managing pain and other distressing symptoms and it can also involve psychological, social, and spiritual support for them, their family, or their carers.

We believe that everyone deserves the best quality of life and the best quality end-of-life care and the earlier we are involved the better. We are here to ensure that people maintain their dignity to the end.

Our care and support are provided totally free of charge at the point of delivery, and whilst we receive some essential funding from the local Clinical Commission Group, we also rely on the generosity of our local communities to continue our crucial work.

### Public Benefit Statement

The Hospice aims to serve the public by ensuring that everyone in Cheshire West, Chester, Ellesmere Port and Deeside has access to excellent high-quality specialist palliative care and support when they have illnesses which no longer respond to curative treatment. Our main activity continues to be the delivery of specialist medical and nursing care to patients and their families. The Trustees have regard to the Charity Commission guidance on public benefit.

To achieve this, we have established a set of strategic priorities and our business plan is based on these priorities.

## Our Strategic Priorities



### Care

Our services will provide high-quality, safe, compassionate, person-centred care across all the services we provide.

### Culture

To have an open, engaging culture with our colleagues and service users and develop collaborative relationships with our commissioners and communities.

### People

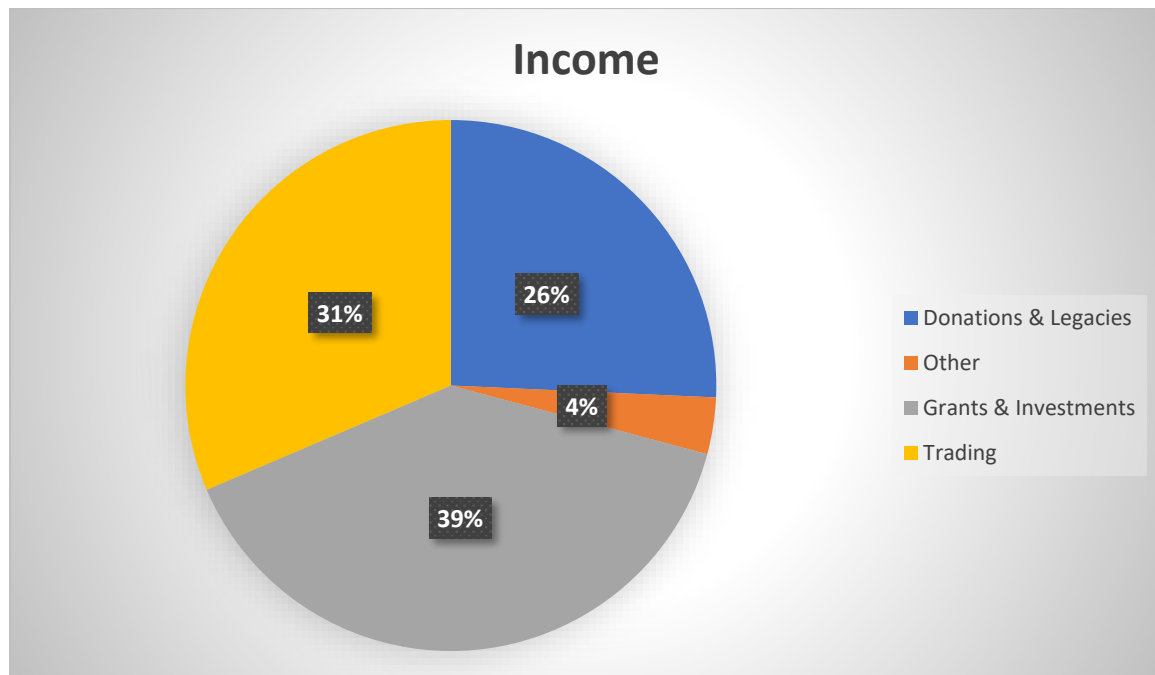
We aim to be an organisation where our people have the skills, behaviours and values necessary to deliver excellent services.

### Resources

We will strive for financial sustainability, foster innovation, and achieve efficiency through continuous quality improvement.

## How we raised our funding in 2020/21

Our income in 2020/21 was £4.1m (2019/20: £4.2m). The Hospice would not be able to operate without the support of our incredible supporters, fundraisers, volunteers, and staff.



### Donations & Legacies

This is money that is donated by our supporters, either directly or through their fundraising activities or money that comes to us when someone kindly leaves a gift in their Will; this is a vital income stream for us.

### Trading Activities

This is money raised through our weekly lottery, high street charity shops, our eBay channel, on-line shop, and other commercial activities.

### Grants and Investments

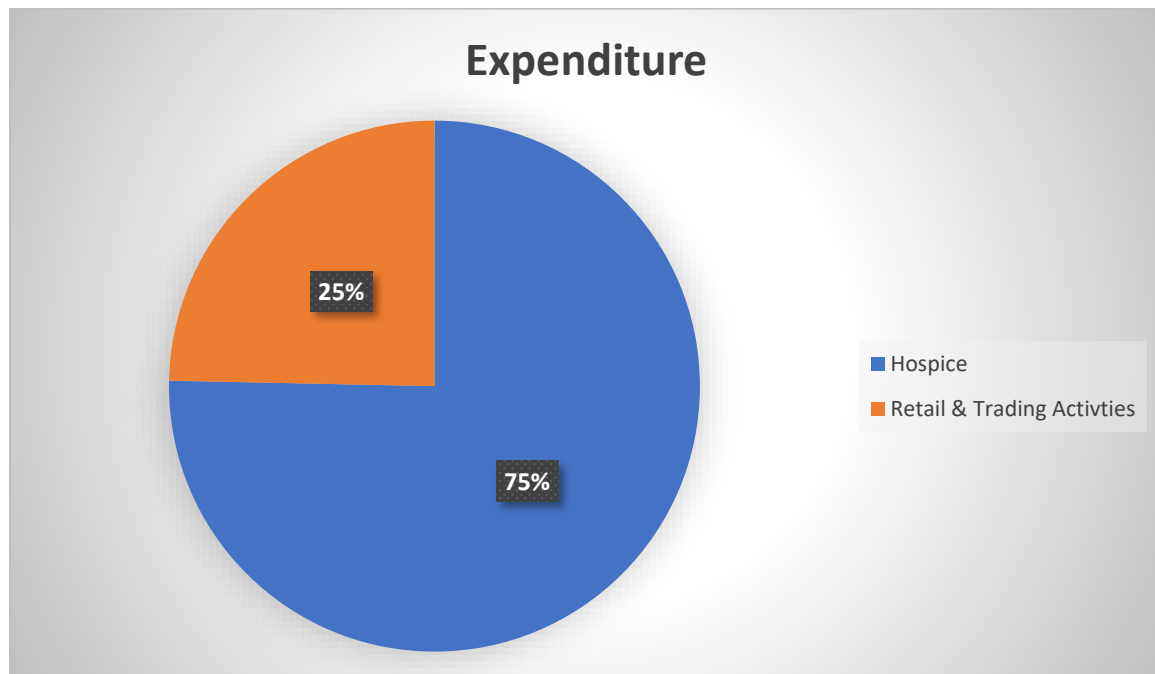
Direct grant support including Government Hospice Covid 19 financial support, grants from charitable trusts and foundations as well as income from our investment portfolio.

### Other

Other specific UK Government support in relation to the Covid-19 pandemic which included the job retention scheme and business rate relief.

### How we used our resources in 2020/21

Our expenditure in 2020/21 was just over £3.6m (2019/20: £3.8m). We know how hard our fundraisers, volunteers and supporters work to raise money, so we're committed to making sure every single penny is wisely spent. Despite everything that this year and COVID has thrown at us, we have remained focussed on reducing our costs, streamlining our resources, and working in partnership to avoid duplication, whilst creating the biggest reach and impact possible with the resources that we have in order to support to patients, families and bereaved clients.



## The people we help

Here at the Hospice, we know that the earlier we engage with a person in their diagnosis the more effective our input can be for them and their families. We can support those at home through the work of our Living Well Service, which does exactly what the name suggests - helping the patient to live well for longer through providing education and practical and holistic support, not only to the patient but also to those important to them as well.

Below is a case study of a patient (Mrs A) whom we supported from 2018 until 2020. She benefitted from a wide range of Hospice services and her story demonstrated how important early referral to the Hospice is for those using our services. Mrs A had also been a volunteer at the Hospice prior to her diagnosis.



In January 2018, following a palliative diagnosis, Mrs A was referred to the Hospice for complementary therapies by her local GP. During this time, she had regular sessions of reflexology which is a specialised form of foot or hand massage where the therapist applies gentle holds, pressure points and stroking techniques to specific points on the feet or the hands. Reflexology can help to reduce stress and anxiety, reduce pain, and lift a patient's mood.

In March of 2018 Mrs A continued with her reflexology but also attended a mindfulness course. Practising mindfulness can help deal with life and its stresses and teach us to appreciate what each present moment may offer. Mindfulness is increasingly used for those living with both acute and chronic pain, and long-term illness.

We know that during this time Mrs A felt there was also a huge benefit in being able to meet other people in the same situation as her and that they could gain support from each other. The mindfulness sessions gave her support, courage, and time to reflect on her life.

During 2020 Mrs A continued to attend Living Well Centre for both for complementary therapies and emotional support. We also offered support to her family including our special complementary therapy sessions for carers which allows them to have time away from their caring responsibilities, as well as the much-needed opportunity to raise any concerns or questions and to relax.

In July 2020 Mrs A had her first medical outpatient appointment for regular monitoring of her condition. This was followed by several stays on our inpatient unit where she received blood transfusions and symptom control along with both psychological and spiritual support. On discharge from the Inpatient Unit in September 2020, Mrs A continued to receive support from our Living Well Centre; however, this was now provided via regular phone calls. In addition, she also benefitted from joining staff and other patients on our virtual Fatigue and Breathlessness course.

Further in-patient stays followed throughout autumn and Mrs A was admitted for her final stay in December 2020 where she received symptom control and psychological support at the end of life.

Following Mrs A's death, we have continued to support her husband via our Bereavement Service.

## What we've achieved this year

As part of the UK wide co-ordinated response to COVID 19, the Hospice team had to fundamentally change the way we supported our patients. Starting the year just as the first wave of COVID was taking a grip, we quickly adapted service delivery, working arrangements, and took practical steps to ensure we could continue supporting patients, their families and their loved ones, and deliver our strategic aims.

We also quickly acknowledged that our planned calendar of fundraising activities would be severely disrupted, however in the end it was in fact decimated. We had to take emergency steps to ensure we could raise the necessary funding to keep our doors open.

Thanks to the increased use of technology, our Trustees and the Senior Management Team continued to meet regularly to determine the most appropriate longer-term strategies and when needed met to look at short-term actions that we should take and adopt in order to ensure the long-term future of the Hospice.

Strategic Aim 1 – High-quality, safe, compassionate, person-centred care across all services

### Service Delivery

#### Living Well Centre

Pre-COVID our Living Well Services for patients and/or carers were delivered face to face at Gordon Lane, either in our Living Well Centre or by the team working with patients on the In-Patient unit. Our services ranged from offering a wide range of short courses for patients covering topics such as Mindfulness, Strength and Balance; Fatigue Management; Support Groups; Art and Music Therapy; Complementary Therapy and Acupuncture. We also offered Living Well Days where we provided nursing care and support for patients with more advanced disease, peer support and a nutritious lunch, these Living Well days also offer a brief respite for carers. It has been incredibly sad that due

to the restrictions we have not been able to deliver many of these services over the last 12 months in order to keep everybody safe.

However, despite lockdown, our overwhelming desire was to ensure that we continued to deliver compassionate and person-centred care, and whilst our complementary therapy team could only work with patients face to face on our In-Patient unit, they continued to support our Living Well patients by phone or Zoom through the use of on-line video tools.

As a result of this there were 815 patient contacts equating to over 380 hours of support across the year, and 161 carer contacts, equating to over 75 hours of support for carers. We also provided 112 patients and carers with 635 complementary therapy sessions.

Thanks to this innovation we have helped people deal with isolation as well as addressing their clinical issues. We received the following letter from one of the patients we supported “virtually” at home during the lockdown period, demonstrating just how valuable our support was to isolated patients:

Dear Julia,  
Words cannot begin to describe my gratitude to you on a personal level and to all on the Living Well team for all that you have done for me over the last few weeks!  
On a personal level your many years of nursing experience and your insistence that I get checked out without a doubt saved my ability to walk, as was proven so dramatically. I will be eternally grateful to you for this!!  
Hopefully one day we may be able to meet face to face.  
Until then, yours with great affection,  
John Vale

#### Telephone Advice Line Service

Throughout 2020/2021 our Telephone Advice Line was open 24 hours a day, every day of the year. This service supports health and social care professionals in the community and our local hospital to ensure there is access to specialist palliative care advice outside of normal working hours. Our response to over 200 calls has helped patients, their families and carers receive the necessary care and treatment to manage difficult and at times distressing symptoms such as pain, nausea and vomiting and breathlessness.

#### Reflect Counselling Service

Our Reflect Service offers information, support, signposting and one-to-one counselling for bereaved children and young people (ages 3 -17) from across West Cheshire and Ellesmere Port. The team also provides support to those who have close family members living with advanced illness. Reflect works with young people and children to identify and develop their resilience as well as having space and time to express their grief and concerns in a safe environment. Children are given the opportunity to explore their story using a range of media. Doing this enables the child to explore and identify those who care for them and who they can have fun and laugh with.

Ordinarily, Reflect works with children and young people at their school during term time, or by welcoming them to the specially decorated and resourced family room at the Hospice, and whilst COVID stopped a lot of things, we were determined that it would not stop our Reflect Service. The team's ongoing commitment to families during 2020/2021 enabled this service to continue and operate remotely. The children's Reflect Service offered 1403 consultations, of which 730 were substantial counselling contacts, providing direct counselling support to 85 children.

Thanks to their creativity, the team also developed a virtual Story Time which enables young children to listen and watch a story alongside their responsible adult on YouTube or Facebook. The story sessions help viewers take time to understand and deal with loss, grief, connection and remembrance.

#### Adult Bereavement Service

Adult bereavement support, including counselling, is one of our most in-demand services. It is also a service that we provide for the whole of West Cheshire regardless of the place or cause of death, with some specific financial support from West Cheshire CCG. Grief can be an isolating and frightening experience with some people experiencing strong and varying emotions that they have never experienced before. This is why our Bereavement Support Service is so important. Our one-on-one talking service is available to anyone who lives in West Cheshire and who has lost a family member, friend or other loved one, regardless of time, cause or place of death. It is not surprising that the team has seen a surge in demand due to COVID.

Similar to the approach taken by the Reflect Team, our Adult Counselling team also moved their services to on-line or by phone. The Bereavement Service offered 3,142 consultations, of which 2,695 were substantial counselling contacts, providing direct counselling support to 400 members of the public, including those bereaved by COVID and during COVID.

#### Spiritual Care Services

Spirituality is defined as beliefs, values and practices that relate to the human search for meaning in life. For some people, spirituality is expressed through adherence to an organised religion, while for others it may relate to their personal identities, relationships with others, secular ethical values or humanist philosophies. When faced with the diagnosis of a life-limiting illness, impending death or bereavement, these values and beliefs are brought into the spotlight. For some their previously-held views and beliefs are strengthened and bring comfort and resilience whilst others find themselves considering these things in a tangible way for the first time. The Spiritual Care team work directly with patients and families and support the wider staff team as they come alongside those in our care grappling with this.

Our Spiritual Care team members, led by an ordained Anglican priest, will tailor their support to the needs, beliefs and values of the person they are working with. A key part of their work also includes

supporting patients who request assistance with preparing funeral plans. They are asked to officiate at funerals and also occasionally weddings and baptisms.

During the pandemic our Spiritual Care co-ordinator and the wider Hospice team have continued to work with patients, their families and close friends albeit having to do this remotely. In addition, cards and spiritual care packs have been provided to our in-patients ensuring that spiritual and religious support as appropriate has been provided to meet their needs and preferences.

### Social Work

Our Social worker, who is also our safeguarding lead, is an integral part of the Hospice team working with patients and families across all services. The support offered is often practical in nature, sourcing packages of care for those being cared for at home or being discharged from the Hospice. However, whilst exploring these needs especially with the families there is great deal of emotional support and signposting to other sources of help also being provided. The Social Worker will stay in contact with patients and families long after they have been discharged ensuring that the level of care being provided at home remains appropriate or is adapted to changing needs. The Social Worker will also assist patients and families to navigate the complexities of applications for any financial support and benefits they may be eligible for.

Another key part of the social work role is to support patients with Advance Care Planning. This includes assisting patients to instigate Lasting Powers of Attorney and encourage the drawing up of their Will, as well as helping people identify and plan for where they would prefer to have their care provided as they approach the end of their life including where they would wish to die. They also work with patients and their families to ensure continued financial support and benefit entitlement.

### Our In-Patient Unit

Starting the year mid-pandemic, we went into the year with a reduced number of beds. Operating as a nine-bed unit instead of ten ensured that we could accommodate all our patients in single occupancy rooms and minimise the potential for spread of infection. We were also able to use the Unit to provide an excellent and safe service as part of a UK-wide co-ordinated response. Working closely with Hospice UK and NHSE we offered a step-down service to people who were being treated by the NHS. Over the last 12 months the team have continued to provide safe and compassionate care to 192 patients, including patients who have had or were suspected of having COVID. The impact of COVID on how we deliver services has been very significant. We have been supported throughout the year by the Infection, Prevention and Control Team (IPC) from Cheshire and Wirral Partnership Trust and like all other hospices nationally have worked to apply the guidance issued to hospitals and care homes.

We have cared for more than 30 patients who tested positive for COVID and cared for many who were symptomatic. In the early days of the pandemic this significantly increased the time it took to

complete any patient-related task, so to assist us with this we created a new volunteering role of Patient Support Worker. These volunteers have now become an integral part of the team. The volunteers assist with a wide variety of tasks on the ward and have been invaluable, and this role will continue beyond COVID.

The ethos of hospice care is a holistic one incorporating patients and families in the decision-making process at every step, and though tight restrictions were imposed on visiting we have continued to involve families every step of the way. At every change in government direction, we reviewed visiting, opening up as much as we could, when we could. However, whilst we wish to make visiting as accessible as possible for patients and families, we have seen the benefit of some time boundaries on visiting for those who may not yet be in the very last few days of life, so we may keep some restrictions that will benefit these patients.

[Demonstrated that our care and services meet current evidence or best practise for specialist palliative care services and prioritise and develop action plans for improvement](#)

#### Outcome Assessment and Complexity Collaborative Project (OACC)

In 2019 we began to introduce OACC (a nationally-validated tool for measuring the outcomes of Specialist Palliative Care Interventions). We developed a staged approach to implementation to ensure that staff were aware of the reasons for implementation, and understood the reasons why collecting outcome data is beneficial for patients and the organisation.

In 2002/2021 we achieved our objective to train all our medical and nursing team on the Integrated Palliative Care Outcome Scale (IPOS), and because of this our In-Patient Unit and LWS teams are now recording an Outcome Assessment for our patients against IPOS. This approach is welcomed by patients and their families, as in addition to capturing their most important concerns about their symptoms, we have extended this information to other needs, to include practical concerns, anxiety, mood, family anxieties and overall feeling of being at peace. Benefits of this approach have included improved symptom management, improved comprehensive care, and increased family empowerment.

For our quality team, this will enable us to better report and then make improvements based on what we learn and report.

#### Reducing Prolonged Stays Initiative

As well as supporting people to live well and achieve a “good death”, once the patient and family have come to terms with the terminal nature of the illness, many patients will wish to live out the remainder of their days peacefully at home or in a hospice facility with minimal medical intervention prior to death.

For those patients who return home, we work with our community partners and across social care to ensure that they achieve their goals. With our space limited to nine beds, helping them achieve this goal also provides the opportunity to reduce the amount of waiting time for those needing a bed, giving us the opportunity help more people.

Strategic Aim 2 - An open, engaging culture with our colleagues and service users and developing collaborative relationships with our commissioners and communities

Demonstrating that the care provided across the different services is compliant with Care and Quality Commission regulations, highlight areas of good practice and the impact of improvements where concerns are identified.

The Care Quality Commission is our regulator. In line with our values, we strive for excellence in everything we do and this includes ensuring that our services and care are delivered in line with health care regulations. During COVID, the CQC have not undertaken inspection visits to the Hospice although we have continued to work with them virtually. Over the last twelve months, we identified and agreed an audit plan and schedule. Using the outcomes of our audits, action plans were monitored, achieved, and reported as part of our clinical governance audit plan and to our Clinical and Care Committees.

Working collaboratively with staff, external colleagues, service users and external stakeholders to ensure that we are providing Hospice services which meet the needs of this locality.

We are passionate about working together to achieve more, and over the last twelve months this has included the introduction of new monitoring mechanisms for protected characteristics of all service users. Coupled with our work with our regulator, we have forged new partnerships, establishing a stakeholder group who now meet with Hospice staff with a view to them helping.

An area that this group identified as being an opportunity as to where we could do more, we have commenced a project to look at how we can better support homeless people with advanced and life-limiting illness in Cheshire West and Chester.

In March 2021, we also agreed a joint project with St Luke's and East Cheshire Hospices and Chester Pride. Through this project we aim to raise awareness and increase access to the full range of our services by our local LGBTQ+ community, at the same time as educating and developing our work force.

As one of the founding members of the Cheshire End of Life Partnership (ELOP), we continue to contribute towards its funding, plus are an active member of Strategic Collaborative Cheshire (SCC), chaired by the ELOP. The SCC has the will, determination and innovation and all organisations involved are working collaboratively to find new ways of delivering better care will, and must, make a difference. Our other partners include Countess of Chester NHS Trust Foundation, NHS Cheshire & Wirral Partnership, East Cheshire Hospice, Wirral St. Johns Hospice, St. Luke's Hospice, Cheshire East Council, Cross Roads Together, NHS Central Cheshire Integrated Care Partnership, NHS Cheshire Clinical Commissioning Group, Greater Manchester and Eastern Cheshire Clinical Commissioning Group, North West Coast Clinical Networks.

#### *Specialist Palliative Care Integration*

Over the last twelve months we have been working with Countess of Chester Hospital (COCH) and Cheshire and Wirral Partnership (CWP) with a view to improving patient care by developing a more integrated specialist palliative care service across the three organisations. Our objectives were to develop a single point of referral using a simplified referral form and exploring the role of technology in the service and understanding how it may be able to help. It would also enable the joint Multi-Disciplinary Teams to focus on the most complex patients.

To date we have worked with local stakeholders including Commissioners, General Practitioners, Doctors, Nurses and service users to identify a more efficient route for referral and assessment. This has enabled us to increase the knowledge and awareness of the different services we offer. We have also been able to develop an integrated education programme for all specialist palliative care staff; a patient-facing information leaflet (to support the referral process) has been produced and by the very nature of joint working, there has been improved communication and engagement between services. Additional admin resource has been agreed by CWP for a 12-month pilot and we look forward to progressing this work in 2021/2022.

#### *The development of medical students from Liverpool University*

As well as supporting and growing our own people, our medical staff facilitate 3-week placements for 4<sup>th</sup> year medical students from the University of Liverpool and undertake teaching activities at the Hospice. During 2020/2021 eight cohorts of students have been hosted here, each for a three-week attachment, which has equated to multiple hours of formal and informal teaching. Thanks to this work, from the very start of their careers, these new doctors will now have a basic knowledge of good symptom management, the skills to approach difficult conversations and knowledge of the important role the Hospice and its Services play in end-of-Life care - a foundation on which they can build and develop their skills throughout their careers.

Strategic Aim 3 - Our people have the skills, behaviours and values necessary to deliver excellent services we have:

[Developed a comprehensive organisational learning and development strategy](#)

This Learning Strategy for clinical and non-clinical staff sets out a framework for identifying hospice needs, individual needs and prioritising learning and development according to those needs and in line with budget.

With this framework now in place we are now seeking the best tools and solutions that will support the co-ordination and collation of information for a Hospice Workforce Development Plan.

Strategic Aim 4 - Financial sustainability, fostering innovation and achieving efficiency through continuous quality improvement.

In the year to March 2020 the Hospice received £901k of funding from the NHS Clinical Commissioning Group (CCG) in Cheshire, to fund our In-Patient Unit and the Adult Bereavement Services. This represented 23.7% of our total running costs. As a consequence of COVID 19 the CCG contribution in the year to March 2021 increased to £936k, representing 25.9% of our total running costs. Our costs this year were lower than in the previous year as we managed out expenditure in response to the COVID 19 outbreak. We continue to strive to improve efficiency to enable us to sustain financial stability.

In 2020/2021 this has included

- utilising data import technology for processing on-line donations
- developed our on-line sales eBay Sales business
- conducting a feasibility study with regard to moving to a system that will link us to other local health care providers
- launching a People and Development system which allows staff to self-service portal
- Developing our eLearning platform to include Hospice policies and induction processes.
- On the back of a staff suggestion scheme, we have launched an internal 'Go Green' initiative to ensure that the Hospice is looking at how to improve our carbon footprint and evidence our commitment to the Cheshire West and Chester "Sustainable West Cheshire", and as a member of the Low Carbon Community.

## How we funded our achievements

### Fundraising and Trading

This year has been an unprecedented year for the Hospice when it has come to raising funds to ensure that we could stay open and continue to deliver our services.

The year started in lockdown, with our shops closed and all face-to-face events curtailed. Very quickly it was apparent there was a need for us to look to our local community and supporters and we launched an emergency appeal.

Thanks to the generosity of our donors, we managed to raise £1,058k (2019/20 £1,044k) from donations and legacies. We also raised £346k (2019/20 £605k) from events and £947k (2019/20 £1,352k) from our retail and lottery operations, a truly humbling amount in light of the economic challenges and downturn arising from COVID 19. For a broad breakdown of our income, see the pie chart on page 9.

Our income can be broken down into monies given through grants, earned from investments and through trading, and fundraising.

- Our shops have had to remain closed for much of the year, due to the national lockdown or where we have needed to protect staff, volunteers and the public from COVID. Like many other organisations we have been able to make claims under the Job Retention Scheme.
- Thanks to joint lobbying across the hospice sector, we have also been able to make a further claim to NHS England, as it was quickly recognised the critical role the Hospice sector would play in supporting the NHS in dealing with patients, their families and carers with COVID alongside our normal end of life care.
- There has also been the opportunity for us to apply to some Charitable Trusts and Foundations who have widened their funding criteria to support charities dealing with the current situation. These Trusts and Foundations recognised the importance of the work we do in supporting both end of life care and bereaved families. They understood the need for the support we offer was at an all-time high due to the pandemic.
- For the members of the fundraising team who were not furloughed, as well as shaping our appeal, they have worked hard and found innovative ways to raise money whilst making it fun for those who took part as well as supporting our community. These events included quiz nights, growing our lottery, on-line auctions, virtual treasure trails and activity challenges. Our “Dedicate a Daisy” flower appeal had an income of over £60K.
- Our Fundraising strategy is to avoid high-risk activities with focus on all direct fundraising expenditure to minimise costs and maximise returns for the Hospice. The aim is to further develop our existing relationships with all current donors and supporters and we will look to appoint a Philanthropy and Corporate Fundraiser to bolster the team.

- We have reviewed and updated our data protection policy and we are registered with the Fundraising Preference Service and the Fundraising Regulator. We fully comply with the Code of Fundraising Best Practice and we publish and promote a ‘Supporter Promise’ via our website.
- During 2020/21, we have continued to invest in generating more sustainable regular income. This helps generate money we can rely on, and means we are able to plan for the future. We’re committed to being responsible and respectful with our fundraising, and continue to be registered with the Fundraising Regulator, abiding by their code of practice and regulations and the Gambling Commission for our lottery.
- Though many of our volunteers and Hospice Supporter Groups were also forced to stay home, they continued to raise funds and by making, baking, or taking part in third party challenges and events. Fundraising has continued albeit at a reduced level with Community fundraising bringing in £117k compared with £176k in the previous year. We were also very fortunate to benefit from £336k of legacy income (2019/20 663K). We continue to invest in legacy marketing, including our popular regular monthly Wills Clinic and our annual Make a Will Week held in March.
- Our charity shops are normally a major income stream for the Hospice but with many of them closed for the majority of the year, income for the year fell from £616k in 2019/20 to only £199k in the year to March 2021.
- When we were able to re-open in the summer, we took the opportunity to open a “pop-up shop” at Centurion Point in Chester. This store principally sells furniture and is occupied on a rolling short-term lease. Our shops continue to play an important role in connecting us with our community.
- We recruited a new Retail Development Manager who is now delivering a new strategy to ensure that we recruit and retain capable shop managers.
- We will also continue to review the profitability of each shop, monitoring each individual shop against a minimum benchmark. We will also look to see if there are further opportunities to open new shops.
- Our Hospice lottery continues to operate successfully generating an income of £748k, (2019/20 £737k), a significant positive cash flow for the benefit of the Hospice. This included two very successful raffles.

## Investments

Our fixed asset investment portfolio continues to be used to underpin our ongoing activities and maintain capital to support future development. The growth of the portfolio is designed to supplement our reserves and our other income-generating activities for the medium to long term. We have engaged external investment managers, Investec, monitored by the Financial Conduct Authority, who manage a balanced portfolio on our behalf.

- Despite the pandemic and the associated market volatility associated with both this and Brexit, we have achieved net gains this year of £107K (£48k deficit 2019/20).
- The Board operates a diversified investment policy, balancing risk with income and capital growth. The Trustees nominate and appoint advisers, brokers and/or fund managers and will agree the terms of appointment. No investments are made without the prior approval of the Trustees. The advisers provide professional investment advice and will assist in the review of performance and future strategy. Our policy is not to invest in any stocks or shares in businesses involved in activities inconsistent with our values.
- The Trustees are mindful to maintain a balanced portfolio and regularly monitor the performance of the investments via the Finance and Income Committee.

### What we haven't achieved

Despite a successful year, COVID, staff being furloughed and the uncertainty that the pandemic has had most notably on our finances, we simply weren't able to achieve everything we had planned.

This has included:

- We exist to deliver services to support the community, and to do this have to operate as if we were a business. Like any organisation we need to attract and retain talent and face challenges of staff leaving, be this due to retirement or career progression outside of the Hospice. In 2020/21 we carried out some research to establish what other organisations were doing to support succession planning, with the aim of implementing succession planning to align with the Hospice appraisal scheme, Workforce Development Strategy and Development Plan. This work was side-tracked with the team having to deal with unplanned activities linked to COVID; however, we will continue with this work in 2021/20
- One of our objectives is to further reduce the Hospice's impact on the environment. Work commenced to set up a Hospice working group, but we have not progressed this at the pace we would have liked. We will continue to take every opportunity to ensure that the Hospice reduces its carbon footprint.
- We actively record and learn from incidents to improve ongoing service delivery and to better link our systems to those used by our partners. This work is underway, and we will continue with this along with improved use technology to create efficiencies and where possible to reduce costs.

### Looking forward

We will continue to strive for excellence and to deliver our strategic priorities, and in addition to achieving objectives we have carried forward from 2020/21 and delivering our services, we will also:

- Explore ways of using all technologies to communicate more effectively with our partners, staff, and volunteers, and provide additional opportunities for digital learning, development, and collaborative working.
- Produce a volunteer strategy with a view to recruiting more volunteers to interesting and varied roles, getting the best from their skills and experience, and attracting people from diverse backgrounds to work alongside us.
- Continue to review our retail network to ensure best use of our funds and resources to maximise shop income.
- Continue to grow our reserves to ensure the long-term financial stability of the Hospice.
- Implement the Data Security and Protection Toolkit Standard (DSPT) and Cyber Essential Plus.
- Continue to build on our risk management framework to ensure good governance and assurance.
- Use the results of our staff survey, completed in 2020/21, to help us further develop our workforce.

## Performance

### Surplus

The Hospice this year generated an overall surplus of £603k (2019/20 :£398k) including gains on our investments of £107k (2019/20: deficit £48k). This surplus has enabled us to improve our freely available reserves from £737k in 2019/20 to £1.426m in 2020/21. This represents a four to five months of forecast expenditure in reserve and represents good progress against our target of holding six months of forecast expenditure in free reserves.

### Our passionate and dedicated people

We simply couldn't achieve what we do without our incredible staff and volunteers. In the year to March 2021 we employed 106 staff with a wide range of skills, knowledge, professional qualifications and experience.

Our aim is for our staff to be well-rewarded and to pay a salary that is competitive with other organisations. However, as we are unable to compete with the NHS and their agenda for change, we have to work incredibly hard to retain high-calibre staff to ensure we can deliver our strategic aims.

We also participated in an externally run employee engagement survey and had an exceptionally high response rate from staff. We are very pleased, in the main, with the results of the survey, with the Hospice viewed as a great place to work. We have already started to use these results to help us develop our workforce and an ongoing programme of action is underway.



Volunteers continue to support all areas of our organisation including our services, shops, and fundraising campaigns. Again, this year has been unprecedented, preventing some of our volunteers (many of whom were shielding) to be with us as they normally would be. With our shops and warehouse closed during the year, it was predominantly the Gordon Lane site that was open to volunteers. We did however introduce a new volunteer role of Patient Support Worker and trained up a number of new volunteers to support the Hospice during the pandemic. This has worked

extremely well and we were one of only a few hospices who continued to work with volunteers during this time. We have worked hard to stay in touch with the 365 volunteers who are still

registered with us. We recognise the increased competition externally to recruit and attract new volunteers and we will be working hard in 2021/22 to develop a Volunteer Strategy.

The pandemic also forced a change and an upgrade of our IT infrastructure to support the remote working that was essential for those of the team who were not working on the In-Patient unit or who were furloughed. Though the changes have been embraced by the staff, we still wish to see how we can develop the use of systems and technology to further streamline how we work and ensure we are capturing and managing all information to help us support our patients and staff more.

## Structure, Governance and Management Statement of Trustees' Responsibilities

The Hospice of the Good Shepherd is an independent charity (registration no. 515516) operating as a private company limited by guarantee (01843427).

The Hospice is governed by a Board of Trustees and run by the Chief Executive and the Senior Management Team made up of a Medical Director (position currently vacant), Director of Clinical Services, Director of Income Generation, Director of People and Development, a Responsible Clinician and the Head of Finance.

The Hospice is registered with, and inspected by, our regulators the Care Quality Commission (CQC).

Our Trustees and their Committee responsibilities are listed below.

Trustee	Committee and Sub-Committees						
	Board	Care	Clinical Governance	Finance & Income	Health, Safety & Estates	Information Governance	People, Development & Remuneration
Robert Mee (Chairman)	*			*			
Margaret Hopkins	*			*			
Andrew Banks Resigned 20 <sup>th</sup> December 2020	*				*		
Bill Benoy	*			*			*
Steve Britton	*			*			*
Isabelle Hughes	*	*	*				

Gavin Eyres	*	*				*	
Justine Watkinson	*						*
Neil Fergusson	*	*	*				
Mike Davies	*			*			
Martin Howlett (SIRO)	*					*	
Peter Goddard Appointed 20 <sup>th</sup> October 2020 Resigned 20 <sup>th</sup> August 2021	*				*		
Yvonne Bottomley Appointed 20 <sup>th</sup> October 2020	*			*			
Jamie Christon Appointed 26 <sup>th</sup> January 2021	*			*	*		

### Patrons & Vice Presidents

The Hospice has a number of patrons and vice presidents who work on behalf of the organisation within the local community:

Ian Puleston Davies  
 Hilary Holden  
 Olive Minors (deceased May 2021)  
 J Mallon  
 Dr D Marriss  
 Marion Needham

### Senior Management Team

Chief Executive Office	Margaret Wright (resigned 31 <sup>st</sup> December 2020) Rhian Wyn Edwards (appointed 1 <sup>st</sup> January 2021)
Director of Clinical Services (Caldicott Guardian)	Liz Taylor
Director of Income Generation	Caroline Siddall
Director of People and Development	Julie Davies
Responsible Clinician	Dr Fariha Bokhari (to 28th February 2021) Dr Lucy Cook (1st March 2021)
Head of Finance	David Haden

### Registered Address & Advisors

Principle Registered Address	Hospice of the Good Shepherd, Gordon Lane, Backford, Chester, CH2 4DG
Auditors	Styles and Co JFC Limited. Heather House, 473 Warrington Road, Culcheth Warrington WA3 5QU
Solicitors	Allington Hughes 2 Vickers Lane Chester Ch1 1QX

Bankers	NatWest PLC Chester Commercial Office, 2 <sup>nd</sup> Floor, 33 Eastgate Street. Chester CH1 1LG
Investment Advisors	Investec Wealth & Investment Ltd 100 Old Hall Street Liverpool L3 9AB

### Subsidiary Undertakings

The Hospice of the Good Shepherd has one wholly-owned subsidiary, Hospice of Good Shepherd Promotions Limited (Company Number 3350371). This company shares its registered office with Hospice of Good Shepherd.

Hospice of Good Shepherd Promotions Limited conducts trading activities selling donated goods and greetings cards and other purchased goods for sale in Hospice of Good Shepherd retail shops and at events, as well as the café located at Gordon Lane, with all profits being covenanted to Hospice of the Good Shepherd. The results and year end position of the subsidiary are shown in Note 8 to the financial statements. Our Lottery is regulated by the Gambling Commission, Operating Licence No. 000 005134 N 100425 013 and Remote Operating Licence 000 005134 R 322300 004.

### The Board and Subsidiary Committee

The Board of Trustees is responsible for governance of Hospice of the Good Shepherd. The Trustees as members are also Directors of Hospice of the Good Shepherd. As set out in the Memorandum and Articles of Association, the Chair of the Trustees is nominated by the Board of Trustees and elected by them.

New Trustees are appointed following a selection process using a range of methods to attract potential new members. When considering new Trustees, the Board considers specialist skills required through a skills audit. New Trustees are appointed by a majority of the Board of Trustees, initially for a period of three years, but can be invited to serve for a further three-year term. New Trustees are provided with an induction, giving them an overview of the responsibilities and activities carried out by the charity. Training on external and organisational issues is provided as required.

The Board of Trustees and Executive Directors meet at least four times a year, and as members at an Annual General Meeting, and is responsible for setting an appropriate strategy for the charity. It also ensures that relevant performance measures are in place. The Board receives regular reports on all aspects of the charity's work.

There are six established Committees and one Sub-Committee. The members of these Committees include Trustees meeting with Executive Directors and are also attended by external advisors when required. The Terms of Reference for these Committees are summarised below.

## Terms of Reference for our Committees

### *Board*

The Board has ultimate responsibility for directing the affairs of the Hospice in accordance with its Memorandum and Articles of Association. The Trustees have control of the charity and its property and funds. The Trustees will set clear aims and objectives, establish priorities, safeguard the charity's assets and use them effectively and exclusively for the beneficiaries of the Hospice.

The Board, as a whole, and trustees individually, accept collective responsibility for ensuring that the charity has a clear and relevant set of aims and an appropriate strategy for achieving them.

- To agree the charity's vision and values ensuring that they are reflected in all of the charity's activities.
- To ensure that the ethos and culture of the organisation underpins delivery of the charity's activities.
- To assess compliance and quality in accordance with legislation and best practice.
- To monitor and control activities within the Hospice.
- To monitor the financial income and expenditure of the organisation maintaining its financial stability.
- To regularly review which matters are reserved to the board and which can be delegated to sub-committees where appropriate.
- To obtain assurance from the minutes and executive summaries from Board Sub-Committees and to scrutinize and act upon the recommendations.

### *Care Committee*

To provide the Board of Trustees with assurance that adequate and appropriate governance structures, processes and controls are in place which ensure that the organisation delivers quality care and services and provides a safe environment for patients, families and visitors to the Hospice.

Take delegated responsibility on behalf of the Board of the Hospice of the Good Shepherd by undertaking the following objectives:

1. To develop quality monitoring systems for:
  - Clinical quality
  - Patient experience
  - Patient safety
  - Policies and procedures
  - Thematic incident reviews and learning arising from Clinical Governance Group.
2. To review key performance indicators and objectives:
  - To identify key performance indicators and review at each committee meeting
  - To monitor performance
  - To define aspirations and financial impact relating to developments in clinical services

- To review levels of income from statutory funding
  - To review and develop organisational plans and objectives
3. To ensure risk management is maintained:
- To review the committee risk register and escalate matters of concern to the Board.
  - To ensure care services are delivered in accordance with legal requirements and recommended best practice.
4. To approve and recommend decisions in relation to care matters:
- To advise on new emerging models of care.
  - To advise on workforce development.
  - To assist in the formulation of the strategic plan in relation to care and once accepted, recommend to the Board for approval.
  - To recommend strategy and plans of care.
  - To review and approve minutes of the Clinical Governance Group.

#### *Clinical Governance Committee*

##### **Duties and responsibilities of Clinical Governance Committee**

- Clinical governance committee is accountable for continuously improving the quality of our services and safeguarding high standards of care by creating an environment in which clinical excellence can flourish.
- Effective clinical governance contributes to the safety and quality of patient care.
- Good clinical governance must support the early identification of risks and concerns that lead to individual, team and wider organisational learning.
- Reporting on its progress /assurance to the Care Committee and CEO.

##### **Clinical governance improves the quality of care, by**

- Monitoring, and where relevant, enforcing compliance with standards and regulations.
- Sharing information and intelligence in relation to patient safety.
- Promoting a culture of continuous improvement and learning.
- Acting decisively to protect the patients when risks to patient care or well-being emerge.
- Making sure there are clear lines of accountability throughout the Hospice and visible leadership from Boards.
- Encouraging and actively supporting the professional development of Clinical and Medical staff is also an important feature.

### *Finance & Income Committee*

To provide the Board of Trustees with assurance that adequate and appropriate governance structures, processes, and controls are in place. Ensuring that the financial controls and processes are in good order and working to ensure the organisation has reliable and accurate financial information in a timely manner. This is the basis upon which operational and strategic decisions are made.

Take delegated responsibility on behalf of the Board of the Hospice of the Good Shepherd by undertaking the following objectives:

#### Finance and Investment

- To review in detail the annual revenue budget and once accepted, recommend it to the Board of Trustees for approval.
- To discuss and agree a revenue strategy and financial contingency plan for periods of reduced income streams.
- To examine the monthly financial performance of the Hospice of the Good Shepherd and the Promotions Company in conjunction with capital expenditure and cash flow implications, and advise the Board of Trustees accordingly, recommending any remedial action where appropriate.
- To discuss and agree financial analysis and investigate tasks required to be undertaken.
- To assist in the formulation of a medium-term capital strategy (five year), and once accepted, recommend it to the Board of Trustees for approval.
- To review the annual capital budget which includes an emergency capital budget for unplanned capital items, and once accepted, recommend it to the Board of Trustees for approval.
- To review annually and agree a capitalisation policy and recommend any changes to the Board of Trustees for approval.
- To note capital expenditure by the Chief Executive for which provision exists within the Capital Budget and emergency capital budget agreed by the Board of Trustees.
- To commend unbudgeted capital expenditure requests over £15,000 for approval by the Board of Trustees.
- To review the investment policy annually and monitor the performance of the investment portfolio, meeting with fund managers on a six-monthly basis to discuss portfolio performance.
- To review the Reserves policy of the Hospice, discuss and agree the level of reserves that are appropriate, and once agreed, present the Reserves policy to the Board of Trustees.
- To assist in the formulation of financial plans and strategies and, once accepted recommend them to the Board of Trustees for approval.
- To review in detail the statutory accounts and, once accepted by the Committee, recommend them to the Board of Trustees for approval.
- To discuss and agree external accounting and audit services required.

- To provide assurance to the Board of Trustees that the organisation is adhering to the financial strategy approved by the Board or identify where this is not the case.
- To provide a forum for discussion, representation and consultation on matters relating to the financial affairs of the Hospice.
- Approval of policies and procedures may be sought from the Committee where appropriate.
- To identify key performance indicators and review at each committee meeting.
- To review the committee risk register and escalate matters of concern to the Board.
- To approve overall banking arrangements.

#### Income Generation

- To assist in the formulation of the strategic plan in relation to Income Generation and once accepted, recommend to the Board for approval.
- To monitor the delivery of the Strategy and ensure this is detailed in the Hospice Business Plan.
- To monitor Income Generating activities against appropriate legal and regulatory requirements.
- To provide a forum for discussion, representation and consultation on matters relating to the Income Generation affairs of the Hospice
- Approval of policies and procedures may be sought from the Committee where appropriate.
- To identify key performance indicators and review at each committee meeting.
- To review the committee risk register and escalate matters of concern to the Board.

#### *Health, Safety & Estates Committee*

To provide the Board of Trustees with assurance that adequate and appropriate governance structures, processes and controls are in place which ensure that the organisation delivers quality care and services and provides a safe environment for patients, families and visitors to the Hospice.

Take delegated responsibility on behalf of the Board of the Hospice of the Good Shepherd by undertaking the following objectives:

- To assist in the formulation of the strategic plan in relation to Health and Safety and once accepted, recommend to the Board for approval.
- All Health and Safety policies and procedures will be reviewed periodically.
- To consider the Health and Safety implications of the whole estate of the Hospice, including externally occupied buildings.
- To incorporate discussions and decisions relating to the maintenance and the development of the Hospice estates.
- To ensure adequate resources to meet the needs of the service and to ensure that we are compliant with relevant Health and Safety legislation.
- To ensure that incidents and near misses are logged and investigated appropriately and actions are progressed effectively.

- To ensure that we have sufficient and relevant insurance cover to limit our exposure to risk in the event of litigation.
- To review and approve policies and procedures.
- To review the committee risk register and escalate matters of concern to the Board.

#### *Information Governance Committee*

To provide the Board of Trustees with assurance that adequate and appropriate governance structures, processes and controls are in place which ensure that the organisation delivers quality care and services and provides a safe environment for patients, families and visitors to the Hospice.

Take delegated responsibility on behalf of the Board of the Hospice of the Good Shepherd by undertaking the following objectives:

- To ensure that information is dealt with legally, securely, efficiently and effectively in the course of Hospice business.
- To improve the overall handling of personal information held by the Hospice.
- To contribute to and develop good working practices.
- To provide adequate training to ensure that Hospice employees are aware of their responsibilities.
- To review current data retention.
- To review the security of databases.
- To review the Information Asset register and ensure departments keep it updated.
- To ensure incidents are logged and investigated appropriately and actions are progressed effectively. The Information Commissioners Office to be informed of necessary incidents within the relevant timeframe.
- To review and approve policies and procedures.
- To review the committee risk register and escalate matters of concern to the Board.
- To assist in the formulation of the strategic plan in relation to Information Governance and once accepted, recommend to the Board for approval.

#### *People & Development and Remuneration Committee*

To provide the Board of Trustees with assurance that adequate and appropriate governance structures, processes and controls are in place which ensure that the organisation delivers quality care and services and provides a safe environment for patients, families and visitors to the Hospice.

Take delegated responsibility on behalf of the Board of the Hospice of the Good Shepherd by undertaking the following objectives:

- To give assurances that training processes throughout the Hospice are contributing to the overall drive to deliver quality care and services to patients and their families and to develop staff to their full potential to enable them to carry out their roles effectively.
- To determine the salary and the terms and conditions of the Chief Executive.
- To approve the salary and other terms and conditions of service recommended by the Chief Executive for all Hospice employees.
- To consider the potential for an annual cost of living increase and propose to the F&I Committee if appropriate.
- To consider and agree new posts or changes to existing posts and structure required to meet the needs of the service. To consider any recommended severance packages.
- To assist in the formulation of the strategic plan in relation to People matters and once accepted, recommend to the Board for approval.
- To review and approve key policies and procedures.
- To identify key performance indicators and review at each committee meeting.
- To review the committee risk register and escalate matters of concern to the Board.

### Chief Executive

Authority to conduct the day-to-day activities of the Hospice of the Good Shepherd is delegated to the Chief Executive, who is responsible for ensuring that the Board's strategy and policies are carried out. The Senior Management Team reports to the Chief Executive and meets every two weeks.

### Corporate Governance

The Trustees complete an annual review against the charity governance code to highlight any areas for potential Improvement. This is used to develop the charity's future policies and internal procedures to ensure we continue to follow best practice.

### Risk Management and Assurance

The Trustees with the support of the SMT consider the major strategic, business and operational risks that face the charity each year when preparing the budgets and business plans.

The charity has detailed organisational and departmental risk registers which are reviewed regularly by the Senior Management Team and quarterly by each Committee and the Board. Significant new risks are brought to the attention of this Committee and the Board as necessary to ensure they are being actively managed and wherever possible suitable mitigation is put in place. A traffic light system is used to rank the key organisational risks with controls agreed and documented providing a revised score for each risk. Our assurance framework then monitors progress and application of the controls, with the Board also giving direction when further action needs to be taken to improve our controls.

During the assessment process we identified the following major organisational risks (classified as red based on their score) as at the date of signing:

Major Risks	Controls
<p>The Hospice continues to anticipate year-on-year deficits before legacy income. Current free reserves are between 4 and 5 months of forecast expenditure which is outside of the recommended Charity Commission for resilience. The Boards target is 6 months. The March 2021 Financial Statements have identified an improvement in free reserves up from 2 months at the end on March 2020 to between 4 and 5 months at the end of March 2021.</p>	<ul style="list-style-type: none"> <li>• Continued monitoring and scrutiny of all costs is in place as reserves remain lower than target.</li> <li>• By agreement with the CCG there is sufficient long-term support to enable continued operations. We remain in regular dialogue with the CCG.</li> <li>• Cost Improvement Plan has been replaced by revised three-year forecasts.</li> <li>• Daily monitoring of cash and bank balances.</li> <li>• Monthly monitoring of income and expenses against budget and three-year projections.</li> <li>• Monthly monitoring of balance sheet and key solvency measures.</li> <li>• Regular monitoring of movements in freely available Reserves.</li> <li>• Annual budgeting and update of three-year projections.</li> </ul>
<p>Consultant Palliative Medicine/Medical Director, (vacancy) which could lead to potential impact on Clinical service(s), Strategic Direction and managerial leadership of the Medical team and reputational damage externally as the Hospice is not seen as a forward-thinking organisation due to lack of strategic activity relating to end-of-life care.</p>	<ul style="list-style-type: none"> <li>• In the absence of a Consultant in Palliative Medicine, the Hospice has approved an interim medical model. A Responsible Clinician (RC) will lead and support the Speciality Doctors (SDs) within the team.</li> <li>• Strategic Medical Objectives to focus on service improvements</li> <li>• Move to SAS contracts for RC and SDs</li> <li>• Joint work with the Countess of Chester (COC) NHS Trust and Cheshire and Wirral NHS Partnership (CWP) Trust to agree consultant’s strategy for West Cheshire</li> <li>• Actively recruit for Consultant for HGS – offer made to successful candidate subject to references 1<sup>st</sup> October 21</li> <li>• Informal support available from Consultant(s) in Palliative Medicine at</li> </ul>

	<p>COC and CWP NHS services Monday - Friday 9-5 pm.</p> <ul style="list-style-type: none"> <li>• External clinical supervision/arrangement for RC</li> <li>• Monthly doctor’s business meetings to keep the medical team abreast of local key clinical matters and to highlight any concerns or impact on services within the Hospice.</li> </ul>
<p>Financial constraints have led to the deployment of a lean nursing model especially at a senior level which could lead to staff burn out or staff leaving as well as restricting/ delaying professional development of the nursing team</p>	<ul style="list-style-type: none"> <li>• Work is prioritised</li> <li>• Good communication</li> <li>• Careful planning of annual leave/days off</li> <li>• Train up senior staff to cover for absence as need,</li> <li>• Reviewing the work load of the Director of Clinical Services work commenced</li> <li>• Development of Nurse in Charge role</li> <li>• New Interim Quality Manager has clinical background and governance experience.</li> <li>• Considering appointment of nurse associate once some of recent recruits have gained further experience</li> <li>• Regular feedback to staff on recruitment progress and recognition when dependency is high and staff have gone above and beyond to maintain morale.</li> <li>• Successful recruitment summer/autumn recruitment campaign</li> </ul>
<p>With retirements, natural attrition and the known nursing shortage in the UK, plus the lower rates of pay offered by the Hospice there may be an inability to recruit to include registered nursing posts, this could result in not being able to continue with the current number of IPU beds being operational</p>	<ul style="list-style-type: none"> <li>• Review of terms and conditions to consider the impact of honouring continuous service dates for staff transferring from the NHS (impacts annual leave, sickness absence, maternity).</li> </ul>
<p>Potential inability to pay staff under existing arrangements with our payroll provider St Helens &amp; Knowsley Trust (SHK) due to disbanding of the CCQ April 2022 and their</p>	<ul style="list-style-type: none"> <li>• New payroll provider and software has been secured and will provide full integration with existing HR system. Efficiencies in processes for both P&amp;D and Finance have been identified and</li> </ul>

<p>inability to host the Hospice for ESR (NHS payroll platform)</p>	<p>existing 'work arounds' with SHK payroll system will be resolved with the new provider. Implementation project to commence October 2021 with a go live April 2022</p>
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Regular monitoring and review of the risks identified is a priority for the Hospice to support control and mitigation of each risk. The Trustees believe the major risk facing the Hospice is growing our reserves to protected our financial position. In addition, there may be risks in maintaining adequate and 'safe' staffing levels amid shortages at a national level of both nurses and palliative care consultants and increasing pressure from salary differentials.

In addition to the above, full risk assessments are undertaken as required under the Hospice's Health and Safety Policy and this has been particularly important as we have managed the COVID 19 pandemic.

Staff and volunteers as appropriate are required to complete annual mandatory training covering Information Governance, Fire Safety, Manual Handling, Food Hygiene, Infection Control, Safeguarding, Equality and Diversity and Dignity at Work together with Incident Awareness and Quality Control.

## Financial Review

Details of the results for the year are shown in the Statement of Financial Activities and Notes forming part of the Financial Statements. The Trustees have noted the results for the year, and remain mindful of the continuing difficulties of operating in the current financial climate and post COVID 19. The Group Statement of Financial Activities is set out beginning on page 47 of these accounts. The Trustees report a surplus for the year of £602,677 (2020: surplus of £398,012).

The surplus for the year of £602,677 is after legacy income of £335,937 and includes COVID 19 support provided by the Government/ NHS via Hospice UK. Without this support the Hospice would have experienced a deficit which would have exposed the Hospice to significant pressure given the comparative low level of free reserves which at March 2020 stood at £737k (approximately two months of forecast expenditure) as compared with our target level of reserves of six months of forecast expenditure. Free reserves have increased from £737k to £1,426k which represents around four to five months of forecast expenditure

Our financial investment portfolio recovered some of the value lost in the first quarter of 2020, finishing the year at £517,652 (2020: £427,179). The continuing impact from COVID 19 has been commented on elsewhere in this report.

### Management of reserves

The Trustees annually review our reserves policy to take account of uncertainties in the health economy and potential fluctuation in fundraising income. This is with a view to match variable income streams with the fairly fixed level of expenditure incurred in delivering our services. This will help protect the long-term viability of the Hospice.

Our contracted income is predominantly supplemented from retail, lottery, and fundraising income, including legacies. The aim of the charity is to maintain sufficient reserves to support six months' running costs to accommodate any unexpected funding issues. The charity would seek to hold sufficient cash reserves (50%) to meet its immediate short term needs with the balance held in investments (50%).

This policy allows us to react to challenging economic circumstances and potential threats and liabilities. We aim to balance this with spending prudently to achieve our aim of delivering charitable activity in the short term.

The Trustees are pleased to report that the free reserves position as detailed above has improved over the reporting period notwithstanding the negative impacts of COVID 19. Whilst reserves at the end of March 2021 of £1,426k remain below our target, as stated we hold between four and five months of projected expenditure in reserve, an improvement over March 2020 when reserves of £737k represented approximately two months of forecast expenditure.

The calculation of the required level of reserves is an integral part of our planning, budgeting and forecasting cycle. Though the potential impact of COVID-19 has lessened, for 2021/22 we remain cautious regarding any continuing impact on income generation whilst maintaining our ambition to increase our free reserves to six months of projected expenditure in line with the stated policy.

At March 2021, group reserves stood at £4.9m (2019/20: £4.3m). This was made up of restricted funds £136k (2019/20: £153k), and unrestricted reserves of £4.8m (2019/20: £4.1m). We recorded a surplus before net gains on investments of £517k. We also recorded £107k gains on our investment portfolio.

## Our people

Our aim is for our staff to be well-rewarded and to be paid a salary that is competitive and benchmarked externally against other charities of a similar size and location. We do not have any bonus schemes or performance-related pay and, aside from our pensions, all staff receive the same level of benefits.

In addition to the NHS pension scheme for pre-existing members of clinical staff we also run an auto-enrolment pension scheme for the benefit of our staff who are not members of the NHS scheme. The auto-enrolment scheme involves employee and employer contributions. The auto enrolment scheme is managed on our behalf by Royal London and the finances are completely independent of the charity's finances. The charity's contributions are recognised within our statement of financial activities, in the month in which the salaries are paid.

To protect our staff and volunteers, we take safeguarding extremely seriously and have a policy in place which was reviewed and updated in December 2020. All staff undertake mandatory Safeguarding training as appropriate and applicable to their role.

The Hospice has prioritised equality, diversity and inclusion (EDI) in our business plan and we now have an established EDI steering group and sub groups to support this work. We are striving to build on this success and continue to improve in all areas of EDI.

In March 2020, as a result of COVID-19, staff who worked outside of the In-Patient Unit transitioned to home working where possible, and where work was not available, we had to take the difficult decision to furlough staff. We have worked closely with our staff and volunteers post-pandemic to create safe workplaces and systems of work, including the opportunity for home working, while considering the physical and mental wellbeing of our staff and volunteers. Building on the successes of remote and flexible working, the Hospice has developed a modern and fit-for-purpose Hybrid Working Policy which will be implemented in 2021. We also went to great lengths to support our staff during the pandemic and put in place a range of wellbeing and mental health resources and support. We will be extending this further with an Employee Assistance Programme and Flexible Benefits platform during 2021.

At the Hospice we are inspired by the breadth of work and support provided by volunteers who undertake activities across all areas of the Hospice. Our volunteer support is key to our delivering our aims and objectives. Volunteers have supported the Hospice since we opened our doors over 30 year ago and the number of volunteers has grown steadily and we now have over 350 volunteers who work tirelessly in a variety of roles supporting every aspect of the Hospice including patient and family services, retail, fundraising, lottery and support services. Volunteers bring a wealth of experience, passion and commitment from diverse backgrounds and careers. We also recognise

the invaluable contribution our support group volunteers make in both raising funds and raising our profile in the local community.

We would like to take this opportunity to acknowledge their contribution and thank them for their continued commitment, dedication and support.

## Statement of Trustees' Responsibilities for the Financial Statements and Corporate Governance

The Trustees (who are also Directors of Hospice of the Good Shepherd for the purposes of the Companies Act) are responsible for preparing the Trustees' Annual Report (incorporating the Directors' report) and the financial statements in accordance with 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).

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 income and expenditure of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for maintaining proper accounting records which 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.

As far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- 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 auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditors**

A resolution will be proposed to appoint auditors at the forthcoming Annual General Meeting.

Signed by order of the Trustees

Bill Benoy Trustee and Treasurer

Date November 2021

## Report of the Independent Auditors to the Members of Hospice Of The Good Shepherd (A Company Limited By Guarantee)

### **Opinion**

We have audited the financial statements of Hospice of the Good Shepherd (the ‘parent charitable company’) and its subsidiary (the ‘group’) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and parent charitable company’s affairs 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 and the Charities Act 2011

### **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 Hospice of the Good Shepherd'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 trustees' 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.

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

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and 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 auditor under the Companies Act 2006 and Section 151 of the Charities Act 2011 and report in accordance with those acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 extent to which our procedures are capable of detecting irregularities, including fraud are set out below

### **Capability of the audit in detecting irregularities**

Irregularities, including fraud, are instances of noncompliance 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 extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and those charged with governance, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud often involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Ian Lloyd FCA (Senior Statutory Auditor)

Date .....

for and on behalf of Styles and Co JFC Limited  
Statutory Auditors  
Heather House  
473 Warrington Road  
Culcheth  
Warrington  
Cheshire  
WA3 5QU

## Consolidated Statement of Financial Activities (Incorporating a Consolidated Income and Expenditure Account)

		2021		2020	
	Note	Unrestricted Funds £	Restricted Funds £	Total £	Total £
<b>Income and endowments from:</b>					
Donations and legacies	2	1,035,226	22,759	1,057,985	1,043,935
Charitable activities	3	1,005,239	605,625	1,610,864	1,227,928
Other trading activities	4	1,293,223	-	1,293,223	1,957,143
Investments	5	9,898	-	9,898	14,459
Other	6	75,855	66,385	142,240	-
<b>Total income and endowments</b>		<b>3,419,441</b>	<b>694,769</b>	<b>4,114,210</b>	<b>4,243,465</b>
<b>Expenditure on:</b>					
Raising funds	7	(892,687)	-	(892,687)	(1,082,778)
Charitable activities	9	(1,941,325)	(650,105)	(2,591,430)	(2,714,671)
Other	10	(68,519)	(66,385)	(134,904)	-
<b>Total expenditure</b>		<b>(2,902,531)</b>	<b>(716,490)</b>	<b>(3,619,021)</b>	<b>(3,797,449)</b>
Net gains / (losses) on investments		107,488	-	107,488	(48,004)
<b>Net income / (expenditure)</b>		<b>624,398</b>	<b>(21,721)</b>	<b>602,677</b>	<b>398,012</b>
Transfers between funds		(4,709)	4,709	-	-
Total funds brought forward	21	4,145,994	152,849	4,298,843	3,900,831
<b>Total funds carried forward</b>	<b>21</b>	<b>4,765,683</b>	<b>135,837</b>	<b>4,901,520</b>	<b>4,298,843</b>

All incoming resources and resources expended derive from continuing activities.

All gains and losses recognised in the year are included above.

The Funds comprise Unrestricted and Restricted Funds.

## Balance Sheet for the year ended 31st March 2021

	Note	Company 2021	Company 2020	Group 2021	Group 2020
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	15	3,323,797	3,383,513	3,409,550	3,487,512
Investments	16	517,652	427,179	517,652	427,179
Investments in Subsidiaries	25	2	2	-	-
		<u>3,841,451</u>	<u>3,810,694</u>	<u>3,927,202</u>	<u>3,914,692</u>
<b>Current Assets</b>					
Stock	17	-	-	-	1,142
Debtors	18	531,844	995,981	339,651	780,528
Cash at Bank and in Hand		2,057,551	859,623	2,299,336	1,090,296
		<u>2,589,395</u>	<u>1,855,604</u>	<u>2,638,987</u>	<u>1,871,966</u>
<b>Creditors: amounts falling due within one year</b>	19	(441,448)	(279,576)	(576,679)	(399,824)
<b>Net Current Assets</b>		<u>2,147,947</u>	<u>1,576,028</u>	<u>2,062,309</u>	<u>1,472,143</u>
<b>Total assets less current liabilities</b>		5,989,398	5,386,722	5,989,511	5,386,834
<b>Creditors: amounts falling due after more than one year</b>	20	(1,087,991)	(1,087,991)	(1,087,991)	(1,087,991)
<b>Net Assets</b>		<u>4,901,407</u>	<u>4,298,731</u>	<u>4,901,520</u>	<u>4,298,843</u>
<b>Charity funds</b>					
Restricted Funds	21	135,837	152,849	135,837	152,849
Unrestricted Funds					
General Funds	21	4,765,570	4,145,882	4,765,683	4,145,994
Total Unrestricted Funds		<u>4,765,570</u>	<u>4,145,882</u>	<u>4,765,683</u>	<u>4,145,994</u>
<b>Total Charity Funds</b>		<u>4,901,407</u>	<u>4,298,731</u>	<u>4,901,520</u>	<u>4,298,843</u>

The financial statements were approved by the Council Members on ..... and signed and authorised for issue on its behalf by:

.....  
 W Benoy  
 Treasurer

Consolidated Cash Flow Statement for the year ended 31st March 2021

	Note	2021	2020
		£	£
<b>Cash flow from operating activities</b>	24	1,234,151	(150,607)
<b>Net cash flow from operating activities</b>		<u>1,234,151</u>	<u>(150,607)</u>
<b>Cash flow from investing activities</b>			
Income from investments	5	8,590	9,603
Interest received	5	1,308	4,856
Payments to acquire tangible fixed assets	15	(52,125)	(50,818)
Receipts from sales of tangible fixed assets		108	-
Payments to acquire investments	16	(104,489)	(16,630)
Receipts from sales of investments		121,497	3,746
<b>Net cash flow from investing activities</b>		<u>(25,111)</u>	<u>(49,243)</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>1,209,040</b>	<b>(199,850)</b>
<b>Cash and cash equivalents at 31/3/2020</b>		1,090,296	1,290,146
<b>Cash and cash equivalents at 31/3/2021</b>		<u>2,299,336</u>	<u>1,090,296</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		2,299,336	1,090,296
<b>Cash and cash equivalents at 31/3/2021</b>		<u>2,299,336</u>	<u>1,090,296</u>

## Notes to the Financial Statements for the year ended 31st March 2021

### 1. Summary of significant accounting policies

#### (a) General information and basis of preparation

The Hospice of the Good Shepherd is a charitable company registered in England and is governed by its Memorandum and Articles of Association. 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. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities is to provide the highest quality specialist palliative Care for the people of Western Cheshire, Chester and Deeside who have illnesses that no longer respond to curative treatment.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies.

These financial statements consolidate the results of the charitable company and its wholly owned subsidiary, Hospice of the Good Shepherd Promotions Limited. The Hospice of the Good Shepherd has taken advantage of the exemption available not to present a Statement of Financial Activities for the charity. The turnover and expenditure of the subsidiary is included within the Consolidated Statement of Financial Activities. The assets and liabilities of the subsidiary are included on a line-by-line basis in the Consolidated Balance Sheet in accordance with FRS102 Section 9-Consolidated and Separate Financial Statements. Uniform accounting policies are adopted throughout the group and any intra-group transactions are eliminated on consolidation.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The trustees have considered the level of funds held, the continued support the Group receives from the West Cheshire Clinical Commissioning Group and its expected level of income and expenditure for 12 months from authorising these financial statements and are of the view that it is appropriate to prepare the financial statements on a going concern basis.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

## Notes to the Financial Statements for the year ended 31st March 2021 cont.

### **(a) Funds**

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### **(b) Income recognition**

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Income from the sale of gifts in kind donated for resale is recognised within Income from other trading activities.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

## Notes to the Financial Statements for the year ended 31st March 2021 cont.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution, receipt of which is probable, or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Grants from government agencies have been included within grants and government funding where there are no contract for services.

Grants from government agencies where there is a service contract are included as income from charitable activities.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method.

### **(a) Expenditure recognition**

All expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered, and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Premises overheads have been allocated on a floor area basis. The overheads costs of the central function have been apportioned on an estimated basis of usage by each function. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes cost of the lottery prizes, the salaries of the staff who promote fund-raising, direct expenditure including costs of events and an allocation of internal overheads
- Expenditure on charitable activities includes direct staff costs, specific costs where attributable and overheads on a management estimate based either on floor space and/or expected usage. Cost allocation includes an element of judgement as the charity has had to consider the cost benefit of detailed calculations and record keeping.

### **(b) Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

## Notes to the Financial Statements for the year ended 31st March 2021 cont.

### (a) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	nil
Buildings and long leasehold property	2% p.a straight line
Plant and machinery	20% p.a straight line/15% reducing balance
Fixtures and fittings	15% p.a straight line/15% reducing balance
Motor vehicles	25% reducing balance

### (b) Pension contributions

The company makes contributions to defined contribution pension schemes, as disclosed in note 25, designed to provide retirement benefits based upon the level of contributions made. The costs of providing these benefits are charged to the statement of financial activities in the year in which they become payable.

The company also makes contributions to a National Health Service (NHS) pension scheme for all eligible employees. The assets of the scheme are held separately by the NHS superannuation scheme. As a result of the nature of the scheme there are no separately identifiable assets and liabilities which can be identified as relating to the Hospice of the Good Shepherd. Therefore, as permitted by FRS102, the scheme has been accounted for as a defined contribution scheme. Contributions to the scheme are charged to the SOFA in the year in which they become payable.

### (c) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

### (i) Shares in Subsidiary Undertakings

Investments in subsidiary undertakings are measured at cost less impairment.

## Notes to the Financial Statements for the year ended 31st March 2021 cont.

### **(j) Stocks**

Items donated for resale in the shops are not included within the financial statements until they are sold. The valuation of donated goods in our shops cannot be measured reliably as the costs outweigh the benefits. It is not practicable to estimate the value of the stock with enough reliability. Therefore, we recognise the value when the goods are sold, not when received. Purchased assets are valued at the lower of cost and net realisable value, after making due allowance for slow-moving and obsolete stock.

### **(k) Leases**

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

### **(l) Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

### **(m) Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

### **(n) Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

### **(o) Judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **(p) Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Notes to the Financial Statements for the year ended 31st March 2021 cont.

**2. Income from donations and legacies**

**a) Company and Group**

	Total 2021	Total 2020
	£	£
Donations	722,048	380,766
Legacies	335,937	663,169
Total	<u>1,057,985</u>	<u>1,043,935</u>

Income from donations and legacies was £1,057,985 (2020 - £1,043,935) of which £22,759 (2020 - £31,851) was attributable to restricted and £1,035,226 (2020- £1,012,354) was attributable to unrestricted funds.

Notes to the Financial Statements for the year ended 31st March 2021 cont.

**3. Income from Charitable Activities  
Company and Group**

	Total 2021 £	Total 2020 £
Contractual payments	1,578,099	1,003,893
Sale of goods and services	-	284
Other	32,765	223,751
Total	<u>1,610,864</u>	<u>1,227,928</u>

Income from charitable activities was £1,610,864 (2020: £1,227,928) of which £605,625 (2020: £13,532) was attributable to restricted and £1,005,239 (2020: £1,214,396) was attributable to unrestricted funds.

**4. Income from other trading activities**

**a) Company**

	Total 2021 £	Total 2020 £
Fundraising Events	346,092	604,769
Total	<u>346,092</u>	<u>604,769</u>

Income from other trading activities was £346,092 (2020 - £604,769) of which £nil (2020 - £1,250) was attributable to restricted and £346,092 (2020- £603,519) was attributable to unrestricted funds.

**b) Group**

	Total 2021 £	Total 2020 £
Fundraising Events	346,092	604,769
Lottery	748,195	736,657
Shops	198,936	615,717
Total	<u>1,293,223</u>	<u>1,957,143</u>

Income from other trading activities was £1,293,223 (2020 - £1,957,143) of which £nil (2020 - £1,250) was attributable to restricted and £1,293,223 (2020- £1,955,893) was attributable to unrestricted funds.

## Notes to the Financial Statements for the year ended 31st March 2021 cont.

**5. Income from investments**
**a) Company**

	Note	Unrestricted Funds £	Total 2021 £
Listed UK Investments			
Dividend Income		8,590	8,590
Short Term Deposit Interest		1,308	1,308
		<u>9,898</u>	<u>9,898</u>
Gift Aid			
Hospice of the Good Shepherd Promotions Limited	8	383,375	383,375
		<u>393,273</u>	<u>393,273</u>

**b) Group**

	Note	Unrestricted Funds £	Total 2021 £
Listed UK Investments			
Dividend Income		8,590	8,590
Short Term Deposit Interest		1,308	1,308
		<u>9,898</u>	<u>9,898</u>

Investments are held to provide an overall return from both income and capital growth.

**a) Company**

	Note	Unrestricted Funds £	Total 2020 £
Listed UK Investments			
Dividend Income		9,603	9,603
Short Term Deposit Interest		4,856	4,856
		<u>14,459</u>	<u>14,459</u>
Gift Aid			
Hospice of the Good Shepherd Promotions Limited	8	592,456	592,456
		<u>606,915</u>	<u>606,915</u>

**b) Group**

	Note	Unrestricted Funds £	Total 2020 £
Listed UK Investments			
Dividend Income		9,603	9,603
Short Term Deposit Interest		4,856	4,856
		<u>14,459</u>	<u>14,459</u>

Investments are held to provide an overall return from both income and capital growth.

Notes to the Financial Statements for the year ended 31st March 2021 cont.

**6. Other income**

**a) Company**

	Total 2021 £	Total 2020 £
Job Retention Scheme	66,385	-

Other income was £66,385 (2020: £nil) of which £66,385 was attributable to restricted and £nil (2020: £nil) was attributable to unrestricted funds.

**b) Group**

	Total 2021 £	Total 2020 £
Job Retention Scheme	134,904	-
Covid Business Rates Support	7,336	-
	<u>142,240</u>	<u>-</u>

Other income was £142,240 (2020: £nil) of which £66,385 was attributable to restricted and £75,855 (2020: £nil) was attributable to unrestricted funds.

**7. Expenditure on raising funds**

**a) Company**

	Total 2021 £	Total 2020 £
Merchandising and Event Costs	249,492	319,362
Investment management costs	3,584	3,498
Total	<u>253,076</u>	<u>322,860</u>

Expenditure on raising funds was £253,076 (2020: £322,860) of which £nil (2020: £nil) was attributable to restricted funds and £253,076 (2020: £322,860) was attributable to unrestricted funds.

**b) Group**

	Total 2021 £	Total 2020 £
Shops and lottery operating costs	639,611	759,918
Merchandising and Event Costs	249,492	319,362
Investment management costs	3,584	3,498
Total	<u>892,687</u>	<u>1,082,778</u>

Expenditure on raising funds was £892,687 (2020: £1,082,778) of which £nil (2020: £nil) was attributable to restricted funds and £892,687 (2020: £1,082,778) was attributable to unrestricted funds.

Notes to the Financial Statements for the year ended 31st March 2021 cont.

**8. Results from Trading Activities of Subsidiary**

	Hospice of the Good Shepherd Promotions Limited	Total 2021	Total 2020
	£	£	£
Merchandising and Events	947,131	947,131	1,287,374
Other income	75,855	75,855	65,000
Total Income	1,022,986	1,022,986	1,352,374
Total Costs	(639,611)	(639,611)	(759,918)
Net Income for the year before Gift Aid	383,375	383,375	592,456
Gift Aid Payable to Hospice of the Good Shepherd	(383,375)	(383,375)	(592,456)
Net Income	-	-	-
Funds Brought Forward at 1 April 2020	111	111	111
Funds Carried Forward at 31 March 2021	111	111	111
Total Assets Total	518,718	518,718	433,105
Liabilities	(518,607)	(518,607)	(432,994)

Notes to the Financial Statements for the year ended 31st March 2021 cont.

**9. Expenditure on Charitable Activities**

	<b><u>Company and Group</u></b>		<b>Total</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>2021</b>
Salaries and Wages	1,482,140	608,545	2,090,685
Rent	2,571	-	2,571
Rates and water	8,818	-	8,818
Light and heat	45,665	-	45,665
Repairs and maintenance	79,048	2,606	81,654
Motor and travel expenses	1,785	63	1,848
Insurance	15,724	-	15,724
Telephone	10,821	390	11,211
Medical supplies	39,996	-	39,996
Courses and education	6,215	510	6,725
Miscellaneous	31,448	25,608	57,056
Laundry, cleaning and food	28,446	-	28,446
Depreciation	98,164	12,383	110,547
Postage, stationery and advertising	24,133	-	24,133
Audit fees	11,650	-	11,650
Legal and professional fees	39,701	-	39,701
End of Life Partnership	15,000	-	15,000
	<b>1,941,325</b>	<b>650,105</b>	<b>2,591,430</b>

			<b>Total</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020</b>
Salaries and Wages	2,178,029	13,532	2,191,561
Rates and water	8,162	-	8,162
Light and heat	53,301	-	53,301
Repairs and maintenance	63,669	8,785	72,454
Motor and travel expenses	4,151	-	4,151
Insurance	16,554	-	16,554
Telephone	11,184	-	11,184
Medical supplies	41,254	-	41,254
Courses and education	26,256	-	26,256
Miscellaneous	56,656	665	57,321
Laundry, cleaning and food	43,596	212	43,808
Depreciation	102,913	9,593	112,506
Postage, stationery and advertising	21,193	-	21,193
Audit fees	9,250	-	9,250
Legal and professional fees	30,716	-	30,716
End of Life Partnership	15,000	-	15,000
	<b>2,681,884</b>	<b>32,787</b>	<b>2,714,671</b>

Notes to the Financial Statements for the year ended 31st March 2021 cont.

**10. Other expenditure**

**a) Company**

	Total 2021 £	Total 2020 £
Staff costs	66,385	-

£66,385 of the above costs were attributable to restricted funds and £nil (2020: £nil) were attributable to unrestricted funds.

**b) Group**

	Total 2021 £	Total 2020 £
Staff costs	134,904	-

£66,385 of the above costs were attributable to restricted funds and £68,519 (2020: £nil) were attributable to unrestricted funds.

## Notes to the Financial Statements for the year ended 31st March 2021 cont.

**11. Support Costs Breakdown by Activity  
Company and Group**

		2021			
	Basis	Fundraising	Charitable	Governance	Total
		£	£	£	£
Salaries and Wages	Actual	116,572	228,750	53,696	399,018
Rates and water	Space	328	920	66	1,314
Light and heat	Space	1,361	5,103	340	6,804
Repairs and maintenance	Actual	305	5,485	305	6,095
Motor and travel expenses	Actual	165	110	-	275
Insurance	Space	586	1,640	117	2,343
Telephone	Space	1,002	585	84	1,671
Miscellaneous	Actual	660	660	-	1,320
Depreciation	Actual	1,647	14,824	-	16,471
Postage and stationery	Actual	3,644	1,962	-	5,606
Audit fees	Actual	-	-	11,650	11,650
Legal and professional fees	Actual	-	-	32,059	32,059
		<b>126,270</b>	<b>260,039</b>	<b>98,317</b>	<b>484,626</b>
		2020			
	Basis	Fundraising	Charitable	Governance	Total
		£	£	£	£
Salaries and Wages	Actual	117,814	225,669	52,786	396,269
Rates and water	Space	302	846	60	1,208
Light and heat	Space	1,578	5,916	394	7,888
Repairs and maintenance	Actual	571	10,277	571	11,419
Motor and travel expenses	Actual	304	203	-	507
Insurance	Space	612	1,715	122	2,449
Telephone	Space	993	579	83	1,655
Miscellaneous	Actual	1,787	1,787	-	3,574
Depreciation	Actual	1,665	14,986	-	16,651
Postage and stationery	Actual	1,364	734	-	2,098
Audit fees	Actual	-	-	9,250	9,250
Legal and professional fees	Actual	-	-	30,716	30,716
		<b>126,990</b>	<b>262,712</b>	<b>93,982</b>	<b>483,684</b>

Notes to the Financial Statements for the year ended 31st March 2021 cont.

	Total 2021 £	Total 2020 £
<b>12. Net income / (expenditure) for the year</b>		
Net income / (expenditure) is stated after charging / (crediting):		
Depreciation of tangible fixed assets	129,043	136,329
Auditor's remuneration :		
Audit of the annual accounts	11,750	13,500
Other services	5,900	1,044

**13. Trustees' and key management personnel remuneration and expenses**

The trustees neither received nor waived any remuneration during the year (2020: £Nil).

The total amount of employee benefits received by key management personnel was £406,835 (2020: £346,313) . The Hospice considers its key management personnel comprise the trustees, the Chief Executive, Director of Clinical Services, Medical Director, Director of HR, Director of Fundraising and Head of Finance.

The trustees did not have any expenses reimbursed during the year (2020 - £nil).

Notes to the Financial Statements for the year ended 31st March 2021 cont.

**14. Staff costs and employee benefits**

	Total 2021 £	Total 2020 £
Wages and Salaries	2,372,979	2,394,587
Social Security Costs	190,929	184,800
Pension Costs	141,124	144,659
	<u>2,705,032</u>	<u>2,724,046</u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2021	2020
£60,001 - £70,000	1	-
£70,001- £80,000	-	1
£80,001- £90,000	-	-
£90,001-£100,000	-	-
£100,001- £110,000	-	-
	<u>1</u>	<u>1</u>

The average number of employees analysed by function was:

	Total 2021 No.	Total 2020 No.
Senior Management Team	5	5
Medical and care services	51	50
Support staff	29	30
Fundraising	21	24
	<u>106</u>	<u>109</u>

## Notes to the Financial Statements for the year ended 31st March 2021 cont.

**15. Tangible fixed assets**

<b>a) Company</b>	Freehold property £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1/4/2020	3,777,861	1,059,058	-	-	4,836,919
Additions	8,089	42,931	-	-	51,020
Disposals/fully written off	-	(367)	-	-	(367)
At 31/3/2021	<u>3,785,950</u>	<u>1,101,622</u>	<u>-</u>	<u>-</u>	<u>4,887,572</u>
<b>Depreciation</b>					
At 1/4/2020	591,948	861,458	-	-	1,453,406
Charge for year	71,288	39,259	-	-	110,547
Eliminated on disposal	-	(178)	-	-	(178)
At 31/3/2021	<u>663,236</u>	<u>900,539</u>	<u>-</u>	<u>-</u>	<u>1,563,775</u>
Net Book Value at 31/3/2021	<u>3,122,714</u>	<u>201,083</u>	<u>-</u>	<u>-</u>	<u>3,323,797</u>
Net Book Value at 31/3/2020	<u>3,185,913</u>	<u>197,600</u>	<u>-</u>	<u>-</u>	<u>3,383,513</u>
<b>b) Group</b>					
	Freehold property £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1/4/2020	3,850,070	1,120,105	125,646	11,078	5,106,899
Additions	8,089	44,036	-	-	52,125
Disposals/fully written off	-	(367)	-	(11,078)	(11,445)
At 31/3/2021	<u>3,858,159</u>	<u>1,163,774</u>	<u>125,646</u>	<u>-</u>	<u>5,147,579</u>
<b>Depreciation</b>					
At 1/4/2020	623,773	913,786	71,859	9,969	1,619,387
Charge for year	79,335	43,273	6,181	254	129,043
Eliminated on disposal	-	(178)	-	(10,223)	(10,401)
At 31/3/2021	<u>703,108</u>	<u>956,881</u>	<u>78,040</u>	<u>-</u>	<u>1,738,029</u>
Net Book Value at 31/3/2021	<u>3,155,051</u>	<u>206,893</u>	<u>47,606</u>	<u>-</u>	<u>3,409,550</u>
Net Book Value at 31/3/2020	<u>3,226,297</u>	<u>206,319</u>	<u>53,787</u>	<u>1,109</u>	<u>3,487,512</u>

## Notes to the Financial Statements for the year ended 31st March 2021 cont.

**16. Fixed Asset Investments**

	Unrestricted Funds £	Total 2021 £	Total 2020 £
Company and Group listed investments			
At 1/4/2020	427,179	427,179	462,298
Less disposals at opening market value	(104,333)	(104,333)	(3,928)
Add acquisitions at cost	104,489	104,489	16,630
Net (losses)/gain on revaluation	90,317	90,317	(47,821)
At 31/3/2021	<u>517,652</u>	<u>517,652</u>	<u>427,179</u>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

**17. Stock**

	Group	
	Total 2021 £	Total 2020 £
Goods for resale	-	1,142
Total	<u>-</u>	<u>1,142</u>

Stocks included in the group balance sheet comprise goods held for resale.

**18. Debtors**

	Company		Group	
	2021	2020	2021	2020
	£	£	£	£
Amounts owed by group undertakings	233,375	312,746	-	-
Other Debtors	5	-	5	-
VAT	17,043	17,946	17,043	17,946
Prepayments and Accrued Income	278,192	556,989	319,374	654,282
Trade Debtors	3,229	108,300	3,229	108,300
	<u>531,844</u>	<u>995,981</u>	<u>339,651</u>	<u>780,528</u>

As at the year end, a total of £172,415 (2020 - £592,503) of group income has been accrued.

## Notes to the Financial Statements for the year ended 31st March 2021 cont.

19. Creditors: amounts falling due within one year	Company		Group	
	2021	2020	2021	2020
	£	£	£	£
Trade Creditors	31,073	18,200	32,418	25,309
Other Creditors	121,364	129,283	122,233	130,933
Social security and other taxes	46,660	49,280	50,559	51,568
Accruals and deferred income	242,351	82,813	371,469	192,014
Amounts owed to group undertakings	-	-	-	-
	<u>441,448</u>	<u>279,576</u>	<u>576,679</u>	<u>399,824</u>

As at the year end, a total of £138,208 (2020 - £127,720) of group income has been deferred. Deferred income represents lottery subscriptions received in advance and other income when the criteria for recognising income have not been met at 31 March 2021.

20. Creditors: amounts falling due after more than one year	Company		Group	
	2021	2020	2021	2020
	£	£	£	£
Other Creditors	1,087,991	1,087,991	1,087,991	1,087,991
	<u>1,087,991</u>	<u>1,087,991</u>	<u>1,087,991</u>	<u>1,087,991</u>

**21. Fund reconciliation**
**a) Company**

	Balance at 01/04/2020	Income	Expenditure	Transfers	Gains / Losses	Balance at 31/03/2021
	£	£	£	£	£	£
Unrestricted Funds						
General Reserve	4,145,882	2,779,830	(2,262,921)	(4,709)	107,488	4,765,570
	<u>4,145,882</u>	<u>2,779,830</u>	<u>(2,262,921)</u>	<u>(4,709)</u>	<u>107,488</u>	<u>4,765,570</u>
	Balance at 01/04/2020	Income	Expenditure	Transfers	Gains / Losses	Balance at 31/03/2021
	£	£	£	£	£	£
<b>Restricted funds</b>						
Hospice UK-NHS England						
Covid funding	-	499,200	(499,200)	-	-	-
Job Retention Scheme	-	66,385	(66,385)	-	-	-
Other Restricted Funds	152,849	129,184	(150,905)	4,709	-	135,837
	<u>152,849</u>	<u>694,769</u>	<u>(716,490)</u>	<u>4,709</u>	<u>-</u>	<u>135,837</u>

## Notes to the Financial Statements for the year ended 31st March 2021 cont.

**22. Analysis of net assets between funds**
**a) Company**

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Tangible Fixed Assets	3,254,216	69,581	3,323,797
Investments	517,652	-	517,652
Investments in subsidiaries	2	-	2
Current Assets	2,523,139	66,256	2,589,395
Current Liabilities	(441,448)	-	(441,448)
Creditors more than one year	(1,087,991)	-	(1,087,991)
<b>Total</b>	<b>4,765,570</b>	<b>135,837</b>	<b>4,901,407</b>

Tangible Fixed Assets	3,305,079	78,434	3,383,513
Investments	427,179	-	427,179
Investments in subsidiaries	2	-	2
Current Assets	1,781,189	74,415	1,855,604
Current Liabilities	(279,576)	-	(279,576)
Creditors more than one year	(1,087,991)	-	(1,087,991)
<b>Total</b>	<b>4,145,882</b>	<b>152,849</b>	<b>4,298,731</b>

**b) Group**

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Tangible Fixed Assets	3,339,969	69,581	3,409,550
Investments	517,652	-	517,652
Current Assets	2,572,731	66,256	2,638,987
Current Liabilities	(576,679)	-	(576,679)
Creditors more than one year	(1,087,991)	-	(1,087,991)
<b>Total</b>	<b>4,765,683</b>	<b>135,837</b>	<b>4,901,520</b>

Notes to the Financial Statements for the year ended 31st March 2021 cont.

**23. Share Capital**

The company is limited by guarantee and has no share capital. The liability of members is limited to the sum of £1 per member.

**24. Reconciliation of net income / (expenditure) to net cash flow from operating activities**

	Group 2021	Group 2020
	£	£
Net income / (expenditure) for year	602,677	398,012
Dividends received	(8,590)	(9,603)
Short Term Deposit Interest	(1,308)	(4,856)
Depreciation and impairment of tangible fixed assets	129,043	136,329
(Gains) / losses on investments	(107,488)	48,004
(Profit) / loss on disposal of tangible fixed assets	943	-
(Increase) / decrease in stock	1,142	633
(Increase) / decrease in debtors	440,877	(163,311)
Increase / (decrease) in creditors	176,855	(555,815)
<b>Net cash flow from operating activities</b>	<b><u>1,234,151</u></b>	<b><u>(150,607)</u></b>

**25. Shares in Subsidiary Undertakings**

The shares in subsidiary undertakings are stated at cost of £2 (2020 - £2) and comprise the following companies:

	Class of Share	2021	2020
Hospice of the Good Shepherd Promotions Limited			
Company number: 03350371			
Number of Shares Held		2	2
% Shareholding	Ordinary	100%	100%
Net Assets		£ 111	£ 111
Operation of Charity Shops and a lottery scheme.			

Notes to the Financial Statements for the year ended 31st March 2021 cont.

**26. Operating Lease Commitments**

Total future minimum lease payments are as follows:

	Land and buildings	Other	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Within One Year	72,500	2,876	75,376	69,400
Within Two to Five Years	95,750	-	95,750	72,876
Over 5 years	-	-	-	-
	<u>168,250</u>	<u>2,876</u>	<u>171,126</u>	<u>142,276</u>

**27. Pension Costs**

During the year ended 31 March 2021 the Hospice made contributions totalling £27,089 (2020: £26,836) to an Automatic Enrollment Scheme managed by Royal London.

Contributions of £2,625 (2020: £3,500) were made into a Personal Pension Scheme for a senior employee.

The Hospice also makes contributions to the NHS pension scheme for all eligible employees. Contributions to this scheme in the year totalled £111,410 (2020: £114,323).

## Notes to the Financial Statements for the year ended 31st March 2021 cont.

**28. Financial Instruments**

	<u>Company</u>	<u>Company</u>	<u>Group</u>	<u>Group</u>
	2021	2020	2021	2020
<b>Financial assets at fair value through statement of financial activities</b>				
Investments (Note 16)	517,652	427,179	517,652	427,179
Investments in subsidiaries (Note 25)	2	2	-	-
	<u>517,654</u>	<u>427,181</u>	<u>517,652</u>	<u>427,179</u>
<b>Financial assets that are debt instruments measured at amortised cost</b>				
Amounts owed by group undertakings (Note 18)	233,375	312,746	-	-
Other debtors (Note 18)	5	-	5	-
VAT (Note 18)	17,043	17,946	17,043	17,946
Trade debtors (Note 18)	3,229	108,300	3,229	108,300
Cash at bank and in hand	2,057,551	859,623	2,299,336	1,090,296
	<u>2,311,203</u>	<u>1,298,615</u>	<u>2,319,613</u>	<u>1,216,542</u>
<b>Financial liabilities that are debt instruments measured at amortised cost</b>				
Trade creditors (Note 19)	31,073	18,200	32,418	25,309
Social security and other taxes (Note 19)	46,660	49,280	50,559	51,568
Other creditors (Notes 19 & 20)	1,209,355	1,217,274	1,210,224	1,218,924
	<u>1,287,088</u>	<u>1,284,754</u>	<u>1,293,201</u>	<u>1,295,801</u>

## Notes to the Financial Statements for the year ended 31st March 2021 cont.

### 29. Related Party Transactions

There have been no related party transactions during the years ended 31 March 2021 and 31 March 2020.

### 30. Taxation

No liability to UK Corporation Tax arose on net incoming resources for the year ended 31 March 2021 nor for the year ended 31 March 2020 for the company. A tax liability of £nil (2020 - £nil) arose on the subsidiary company included within the consolidated accounts.

### 31. Analysis of reserves

	Group	
	2021	2020
	£	£
Total Reserves	4,901,520	4,298,843
Less:		
Unrestricted Fixed Assets	(3,339,969)	(3,409,078)
Restricted funds	(135,837)	(152,849)
Freely available reserves	<u>1,425,714</u>	<u>736,916</u>

### 32. Contingent Asset

Any legacies that the Hospice has been notified of, but the amount due to be distributed cannot be reliably measured, have not been recognised within income.

## We wanted to thank

### Community and Corporate Supporters

Bristol Myers Squibb  
C&C Catering Limited  
Cheshire Masonic Lodges  
Chester Cathedral  
Chester Business Club  
Chester Lions Club  
Ellis and Co Chartered Accountants  
Encirc Limited  
Essar Oil UK  
Innospec Limited  
John Fox Plant Limited  
KJ Bell Limited  
Man Coed Tree Surgery  
Morrisons  
Oliver and Co Solicitors  
Urenco

### Charitable Trusts and Funders

Edward Gosling Foundation  
Williams Family Foundation  
Ursula Keyes Foundation  
Marjorie Boddy Trust  
Steve Morgan Foundation  
BBC Children in Need  
Lord Leverhulme Charitable Trust  
Masonic Charitable Foundation  
Sir Julian Thorne Charitable Trust  
Maud Beattie Trust  
Sir Donald & Lady Edna Wilson Charitable Foundation  
The Albert Hunt Trust  
Trefula Trust  
Hospice UK

### Our Hospice Community Fundraising Groups

- Malpas Support Group
- Upton Support Group
- Waverton Support Group
- Hoole Support Group
- Blacon Support Group

### Patrons and celebrity supporters

A sincere thank you to all of our Patrons and celebrity supporters for their support in 2020/21.



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