



Report of the Trustees and Consolidated Financial Statements

For the Year Ended 31 March 2021

**Company Registration Number: 06187174
Registered Charity No. 1119499**

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Reference and administrative details

Company registration number	06187174
Charity number	1119499
Registered office	Unit 2 Walton Lodge Walton Street Aylesbury Bucks HP21 7QY
Board of Trustees	Mr M Bennett Mr P Bridgman Mr P Cotton Mrs D Earnshaw Mr M Fabes Mr S Jones Mr J Leggett Ms J Naismith Ms S Plumridge Mr N Ratcliffe Dr A Watt (Chairman)
Chief Executive	Mrs J Turner
Bankers	Lloyds Bank plc Market Square Aylesbury Bucks HP20 1TD
Auditors	Azets Audit Services The Mill House Boundary Road Loudwater High Wycombe HP10 9QN
Investment advisors	Cazenove Fund Management Limited Suite B 6 Worcester Street Gloucester Green Oxford OX1 2BX
Website address	www.fnhospice.org.uk

Report of the trustees

Report of the trustees

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act 2006, present their annual report and the audited financial statements for the year ended 31 March 2021.

Objectives and activities for the public benefit

The Charity's vision is to support the best hospice care for local people both within a Hospice setting and in the community.

Objectives and aims

The objects of Florence Nightingale Hospice Charity (the Charity or FNHC) are to promote the relief of people who are suffering from any chronic or terminal illness, disability or disease, or other physical or mental infirmity by:

- 1) Providing care for persons who are suffering as aforesaid by establishing, maintaining and conducting one or more residential nursing homes in England or Wales and by providing medical or other treatment and attention for any persons in their own homes and to provide assistance to other bodies or persons in achieving such provisions;
- 2) Conducting, promoting or encouraging research into care and treatment of persons suffering any illness, disability, disease or infirmity, particularly into the care and treatment of persons suffering from cancer or terminal illness;
- 3) Promoting, encouraging or assisting in the teaching or training of the medical and clinical professions or allied services;
- 4) Providing, assisting or encouraging the provision of spiritual help and guidance for any persons resident (either as patients or otherwise), visiting, or working in any such home or homes as aforesaid;
- 5) Providing, encouraging or accessing the provision of psychosocial support to families when needed.

The Trustees confirm that they have referred to the guidance contained in The Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities for the year.

In order to meet these objectives, the Charity works in partnership with the Florence Nightingale Hospice, part of Buckinghamshire Healthcare NHS Trust, and funds or part-funds specific services, teams, some individual posts and equipment including:

Working in the Hospice

- In-Patient Unit: the Charity funds additional staffing costs to cover absences thereby protecting and maintaining appropriate staffing levels within the 12 bed In-Patient Unit.
- Day Hospice: the Charity funds all costs of the Day Hospice which aims to improve the personal wellbeing of patients through symptom management advice, psychological and therapeutic support, diversional techniques and complementary therapies.
- Lymphoedema Clinic: the Charity funds all the costs of this service which provides specialist assessments of symptoms and treatment through massage and specialist compression bandaging.
- Discharge Liaison Nurse: the Charity funds this post which assesses and co-ordinates the timely discharge of patients from the Hospice and, where necessary, plans packages of palliative care on discharge; therefore facilitating patients' preferred place of care.
- Triage Nurse: the Charity funds a Triage Nurse who manages patients requiring telephone support, and also makes first contact with patients referred to assess their needs and to start symptom control as soon as possible.

Report of the trustees

- Capital costs: the Charity funds specific clinical equipment and also the refurbishment of parts of the Hospice building as identified by the clinical leads. The Charity pays for the upkeep of the Hospice's courtyard garden, therapeutic and diversionary materials and additional food and beverages provided for patients and visitors.

In the community

- FNN@Home: the Charity fully funds a team of qualified nurses and carers who administer palliative care across the Aylesbury Vale in patients' homes so they can receive the same level of care and medical attention as they would receive in the In-Patient Unit at the Hospice. FNN@Home was established in 2019 and incorporates the Healthcare Assistants formerly known as Nightingale 24/7.
- Community Palliative Care Team: the Charity part-funds this team of senior nurses who support patients at their homes in the Aylesbury Vale.
- Florrie's Children's Team: the Charity fully funds this team which provides respite and care for children with life-limiting illness in their own homes in addition to offering support to parents and siblings.
- Bereavement Support: the Charity fully funds the costs of 50 Volunteer Bereavement Listeners who provide support to adults and children pre- and post-bereavement.

Other

- Education: the Charity part-funds the provision of palliative care education to the clinical community locally and funds some specialist training and professional development for Hospice staff.
- Volunteers: the Charity also meets the costs of the Volunteers who contribute to hospice care and income generation, specifically mileage costs incurred whilst driving patients.

Structure, governance and management

Governance

Florence Nightingale Hospice Charity is a charitable company limited by guarantee; incorporated and registered with the Charity Commission on 27th March 2007. It is governed under its Memorandum and Articles of Association. The liability of the members is limited to an amount not exceeding £10.

Organisational structure

In normal circumstances, the full Trustee Board meets quarterly with the Chief Executive and other members of the Senior Management Team as required, to review the strategic plan and operational activities of the Charity and the trading subsidiary. Day-to-day management is delegated to the Chief Executive, Jo Turner. The Chief Executive presents comprehensive reports on activity, policy papers and financial updates in advance of each meeting to ensure the Trustees are fully informed of the operational, financial and wider policy context. The Board also has responsibility for overseeing the Charity's investments.

As the Charity contended with the challenges arising from the Covid-19 pandemic in 2020, normal Board meetings were suspended from April to October and replaced with regular meetings of an emergency committee attended by the Chair of Trustees, Chairs of the Finance, Governance and Retail Boards and the CEO. This allowed decisions to be taken quickly.

Report of the trustees

The Trustees who have served during the year are listed below. They have served throughout the year except where stated.

Dr Alan Watt (Chairman)
Mr M Bennett
Mr P Bridgman
Mr P Cotton
Mrs D Earnshaw
Mr M Fabes
Mr S Jones
Mr J Leggett
Ms J Naismith
Ms S Plumridge
Mr N Ratcliffe
Mrs A Tomkins – resigned 16 September 2020

The Trustees have approved a delegated responsibility to two sub-committees.

The Governance sub-committee meets quarterly, or as required, to address governance issues. Trustees in attendance are John Leggett (Chair), Alan Watt and Peter Cotton. In the year the Charity reviewed practice against the revised Charity Governance Code which has updated Integrity and Equality, diversity and inclusion principles. We also produced a protocol for the future appointment of a new Chair as well as writing a role description.

The Finance sub-committee meets quarterly, or as required, to review and monitor management reports and cash flow and evaluate new income generation initiatives with the Chief Executive, Finance Manager, Head of Fundraising and other members of the senior management team as appropriate. Trustees in attendance are Simon Jones (Chair), Alan Watt, Mike Bennett and Noel Ratcliffe. During the pandemic it received at least monthly cash flow forecasts.

The Board of Florence Nightingale Hospice Shops Limited also reports to the Trustees on the retail activities of the business.

Dr Watt will step down from the Chair role at the AGM in September 2021, but remain on the Board for the remaining year of his permitted term to support his successor. At the March 2021 Board of Trustees, Noel Ratcliffe, who has been a Trustee of FNHC for five years, was selected to be the new Chair. Mr Ratcliffe is a nurse by training and worked in palliative care for 9 years including as Director of Nursing for Iain Rennie Hospice at Home and Director of Clinical Services at the Peace Hospice. More recently he has been GP Practice Manager at the Norden House Surgery, Winslow, where he led the complex project to merge three GP Practices. He is passionate about the importance of hospice care and the support offered to families at very difficult times. In anticipation of his new position Mr Ratcliffe is now also attending the Governance sub-Committee and Florence Nightingale Hospice Shops Board. He was already a member of Finance sub-committee.

Florence Nightingale Hospice Charity is a member of Hospice UK, the Fundraising Regulator, the Chartered Institute of Fundraising, the Fundraising Preference Service, the Charity Retail Association, the National Council for Voluntary Organisations and the Association of Chief Executives of Voluntary Organisations. During the year the CEO kept up to date with developments in the hospice and wider charity sector by attending national and regional sessions led Hospice UK and other groups. We also helped form a new informal group of charities supporting NHS Hospices.

Report of the trustees

The Charity complies with all recommended codes of practice and does not outsource any form of fundraising to commercial companies.

Recruitment and appointment of new Trustees

FNHC's Trustee selection process requires those who are being considered for joining the Board to be interviewed by a panel of not fewer than two, and no more than three, current Trustees who are nominated by the Chairman according to circumstances. The interview panel submits a recommendation to the Board of Trustees for a final decision. However, if a candidate has been recommended or introduced by a particular Trustee, then that Trustee will not form part of the interview panel.

Induction and training of new Trustees

New Trustees receive an induction pack including a copy of the Charity Commission's Guide "The Essential Trustee", the Charity's Memorandum and Articles of Association, the latest financial statements, confidentiality and conflict of interest documents, organisational information and a programme of meetings with key members of staff.

Related parties

Florence Nightingale Hospice Shops Limited is the wholly owned trading subsidiary of Florence Nightingale Hospice Charity. The Covid-19 lockdowns meant that our shops needed to close for much of 2020/21. Measures were taken to mitigate losses such as claiming Government grants for closed shops and furlough payments. Some landlords kindly offered rent reductions. A claim is being submitted for business interruption. There is more information below about how the Retail operation functioned in the year and the actions taken. It is encouraging that the trading subsidiary has started 2021/22 strongly.

Florence Nightingale Hospice Charity owns shares in The Hospice Lottery Partnership Limited from which it receives a share of the profits raised. Mrs Jo Turner (Chief Executive) is also a director of The Hospice Lottery Partnership Limited as the representative of the Charity. The Hospice Lottery Partnership Limited was established in 1997 and Florence Nightingale Hospice Charity is one of the three founding hospices it supports. FNHC has benefited from a contribution to our funds of £2,399,852 since that time. For many years five Hospices have been supported through this company. Since 2019-20, Associate partners are being recruited to expand the partnership and its long-term income potential. The organisation Reach (representing West Hertfordshire Hospitals) joined as an Associate partner in 2020.

Florence Nightingale Hospice Charity from time to time uses the services of Parrott and Coales LLP for legal advice and to process property leases. In addition, the Charity has had the longstanding benefit of at least one Parrott and Coales member of staff serving on the Board of Trustees. However, these Trustees do not take part in any negotiations or discussions in regard to awarding work to Parrott and Coales and remove themselves from any discussion where a conflict of interest may occur.

Trustee Peter Bridgman supports the Charity at no charge on property matters such as the acquisition of new shops and negotiation of leases. At the February 2020 Board meeting it was agreed that his firm (Brown & Lee) should be paid for costs incurred in preparing formal submissions and counter-submissions related to the independent rent review of our HQ office (Walton Lodge in Aylesbury). The review was concluded in the Charity's favour in October 2020. In considering this issue, Trustees and the CEO devised criteria for the rare occasions when Trustees might need to be paid, based on Charity Commission document CC29.

Report of the trustees

Risk management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Organisational Risk Register is reviewed on an annual basis through the Governance sub-committee. The document follows a weighted likelihood versus impact approach, with an overall risk score and RAG rating for each risk.

Since early 2020 the most significant risks facing the Charity are those posed by the Covid-19 pandemic. Common with all charities, these risks have affected multiple areas of operation from the safety and wellbeing of staff, volunteers and supporters, to the impact on income generation from fundraising and retail.

Handling these risks was the main focus of the previous year and the measures taken to address them are described in various parts of this report. They include:

- Identifying relevant compensation (furlough, grants for closed shops, insurance, rent reductions) and apply where eligible;
- Reforecasting budgets and monitoring cash flow on a more regular basis;
- Ensuring that our shops and head office were Covid-secure through risk assessment, training and the use of PPE;
- Enabling office-based staff to work from home; and
- Adjusting the fundraising plan to the most viable by limiting public events and focusing on other means.

Disruption to income generation is the most significant risk because it affects our ability to fund current and future commitments to hospice care to meet the needs of a growing and ageing population. We are addressing the risk by improving and diversifying fundraising approaches, making shops more profitable and acquiring new ones, raising profile through events and marketing, seeking the help of volunteers to benefit from their skills; whilst also controlling costs and seeking value for money. Another mitigation is holding sufficient reserves. The Charity has revised its Reserves Policy in the light of the pandemic which has shown fragility to income streams. The new Reserves Policy better protects the Charity's significant long-term commitment to fund existing Hospice services and other long term financial commitments e.g. the leases on shops and head office. It also protects funding of additional Hospice related services in the medium to long term.

The impact of the pandemic remains our top risk. During the current period footfall is affected in our shops and we have limited our public fundraising. A related high risk is the impact on our volunteers who provide essential support to the Hospice, income generation and head office. It is a nationwide trend that many people decided to stop volunteering following the enforced breaks required by the lockdowns. We totally understand this and thank all those who have decided to step down at this time for their contribution. A priority task is to recruit and support additional volunteers.

The Charity is also exposed to other risks that could lead to significant disruption including:

- The Hospice being unable to meet the demand for palliative care from local people affecting the reputation of, and support for, the Charity;
- Failure to recruit and retain high performing staff leads to loss of income, poor morale and risk to operations and reputation;
- A lack of a clear and agreed strategic direction and forward plan for the Charity which compromises its growth and financial potential;
- IT systems not being fit for purpose and limiting flexible and effective working; risking system failure, virus/ransomware attacks, data protection and as a result could affect income and reputation;

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- Poor financial management and practices risk income and reputation; and
- The Charity breaches Health and Safety best practice risking the personal safety of staff, volunteers or the public, thus affecting the Charity's reputation and leading to financial pay-outs.

However, we are confident that we have procedures and resources in place to address these risks.

Achievement and performance

Main objectives for the Florence Nightingale Hospice Charity in 2020-21

Objectives for year	Achievements over the past year
<p>To continue to support the provision of high quality specialist palliative care delivered by the Florence Nightingale Hospice both in the Hospice building and in the community.</p> <p>This includes the continuing two-year pilot project to test 24/7 Hospice at Home care in the Aylesbury Vale which commenced in October 2019.</p>	<p>Despite the impact of the Covid-19 pandemic, the Charity has significantly increased its financial support of hospice care during the year thus enabling a range of services to be delivered for local people at the Florence Nightingale Hospice and in the community. This was possible despite the impact of Covid-19 on the Charity's income generation. Trustees took the decision to liquidate some investments. This was done in November 2020 when it was judged that investments had recovered sufficiently.</p> <p>The Florence Nightingale Hospice (FNH) needed to adjust its services appropriately as a response to Covid-19. This included the wearing of PPE, following NHS rules restricting the number of visitors allowed into the Hospice, the use of technology like iPads to connect patients and relatives, stopping the usual day hospice service and supporting those patients in other ways such as phone calls and delivering support packages. The Hospice and Charity kept in close touch through this difficult period.</p> <p>Some FNH staff funded by the Charity were reallocated to other Hospice teams as needed e.g. to cover sickness absence. The Charity agreed to be flexible on this given the challenges faced.</p> <p>The Charity manages the website that explains the hospice services (as well as income generation) and kept this and social media up to date with news e.g. about visiting rules and how individual services were affected.</p> <p>During 2020-21, 301 patients were cared for by the In-Patient Unit. The Charity also funded clinics and palliative care in the community which supported 990 people. 625 people were supported by the Community Palliative Care Specialist service. 318 people were supported by the Lymphoedema Clinic. 43 people were supported by the Day Hospice - this was fewer than the previous year because of the closure of the Day Hospice building for much of the year.</p>

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	<p>Patient satisfaction surveys are given to patients and carers and routinely exceed the target of 90% of replies to be good or excellent.</p> <p>The FNH@Home service operating in the Aylesbury Vale continued its pilot during 2020-21. It comprises qualified nurses and the team of Healthcare Assistants who used to be known as the Nightingale 24/7. 161 people were supported by the FNH@Home service as demand grew during the pandemic.</p> <p>During the period FNH@Home was particularly appreciated as many patients approaching the end of life preferred to be supported at home due to the perceived risk of contracting Covid-19 in hospital and because they could better control who could visit. It was decided to postpone the start of the first review of the service from October 2020 to May 2021 as all of the FNH staff and services were under severe pressure. The service has been operating from 8am to 8pm but is due to increase to 'twilight' hours from 7am to 11pm soon. It remains the objective of the service to operate 24/7 when possible.</p>
<p>To explore if other palliative care services need to be funded or if any capital improvements need to be made at the Hospice to benefit patients & staff.</p>	<p>During the pandemic the Charity did not receive any bids to fund additional palliative care services delivered by the Florence Nightingale Hospice.</p> <p>A project to completely refurbish the In-patient bathroom was completed in March 2021. The Charity met the £37,000 cost which allowed works to be at a high specification in order to offer a more spa-like environment whilst meeting all infection control and patient needs (e.g. a specialist tilting bath with hoist).</p> <p>Other purchases were made to assist with handling the Covid-19 situation including new chairs for the In-patient Unit that met infection control rules and iPads to allow communication between patients and families who could not meet in person. Fans have also been purchased to improve temperature control.</p> <p>A project to refurbish the Lymphoedema clinic room has been planned for completion in 2021-22. It was not possible to scope further capital works last year because of the restrictions.</p> <p>External training opportunities were limited during the year so there were minimal calls on the Charity's Henderson education Fund.</p>

Report of the trustees

<p>To strengthen financial and operational oversight of FNHC funded services and projects undertaken by Buckinghamshire Healthcare NHS Trust.</p>	<p>Significant progress has been made in this area. A Memorandum of Understanding (MoU) was proposed by the Charity to set the scene for our partnership with Buckinghamshire Healthcare NHS Trust. This is part of a range of measures to make the relationship more business-like – ensuring that we have the correct level of oversight of the c.£1million annual grant as well as the required information for fundraising (especially from grant-makers) and marketing. The MoU includes the principle that all Hospice services funded by the Charity will have a periodic review at which time we could cease funding (with notice) or change the resourcing levels.</p> <p>Quarterly steering groups have now been set up which will be attended by Charity Trustees and the CEO and senior staff from Buckinghamshire Healthcare NHS Trust. The first took place in April 2021. At this meeting the MoU and a draft Service Level Agreement (SLA) for the FNH@Home service were agreed. This SLA format is more concise than the previous contracts and makes service objectives and key performance indicators much clearer. The first steering group also considered the first review of the FNH@Home pilot project.</p> <p>Buckinghamshire Healthcare NHS Trust's Finance Department is now supplying financial backing data alongside their quarterly invoices and under the terms of the data sharing agreement, signed in 2019, FNHC now receives transfers of anonymised data about FNH services. The Charity has made grant payments for 2019-20 in response to all of these information and governance arrangements being put in place.</p> <p>The new style SLAs now need to be introduced for every service funded by the Charity.</p>
<p>Income generation in general.</p>	<p>The Covid-19 pandemic meant that the Charity made a loss of £378,356 before investment gains are taken into account. Forecasts during the year predicted a larger loss but this was reduced by efforts to manage costs, claim available compensations and raise income where this was possible.</p> <p>Trustees had agreed to the setting of a deficit budget for 20/21 to enable the Charity to invest in additional staff and skills in order to grow income for the medium term. This deficit was increased by the effects of the Covid-19 pandemic, particularly the enforced closure of non-essential retail.</p> <p>Despite the Government grants for closed shops and furlough income, our shops made a loss because they needed to be closed for such long periods. We are</p>

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	<p>continuing to explore the possibility of a claim under business interruption insurance.</p> <p>Another factor leading to the deficit position was the lower than expected legacy income received in year. The main notification received in the year was received in March 2021.</p> <p>In addition our Charity/NHS partnership was not eligible for the Government's NHS Covid-19 Hospice compensation allocated by the sector organisation, Hospice UK. £325 million was made available to protect independent hospices from the financial implications of the pandemic, and we understand that many made substantial surpluses as a result. Some partnerships of NHS hospice and supporting charities like ours, were awarded additional funding by their supporting NHS Trust or Clinical Commissioning Group. Our efforts to lobby for the Florence Nightingale Hospice to be awarded Covid-19 funding to relieve some of the Charity's commitment in 20/21 were unfortunately unsuccessful.</p> <p>More positively, it was possible for fundraising to adjust its approach this year in order to reduce costs significantly and raise additional funds from virtual events and the crisis appeal. There is more information about shops and fundraising below.</p>
<p>To continue to generate sustainable income from our Retail operation, through online sales and the reopening of shops in a manner which complies with Covid-secure guidance; prioritising those with highest income potential.</p>	<p>The 20/21 financial year began with all of the shops closed, as mandated by the Government to help control the spread of Covid-19. This was particularly frustrating as the new Buckingham shop (acquired in early 2020) was due to open in March, and we had successfully acquired a new site for the Furniture Showroom.</p> <p>While the shops were closed, the focus was to maintain communications with volunteers and furloughed staff; mitigate financial losses; and make the complex preparations to reopen safely (starting with the shops with the highest income potential) which required detailed risk assessments, staff training, making significant changes to shop floors to allow for social distancing and the purchase of PPE. We are grateful for the advice provided by the Charity Retail Association which helped us to navigate the required changes.</p> <p>Wendover and Bradmoor reopened at the beginning of July 2020, with the new Showroom opening on 12th August. The shops were initially run by larger staff teams (from various shops), in order to manage the requirements to trade safely; train and build staff confidence to trade in very challenging circumstances; and because volunteers largely chose not return to the shops.</p>

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	<p>Walton Court and Winslow reopened in October, although unfortunately all five of the shops were closed once again by the Government in November, and then again in December for the remainder of the financial year.</p> <p>When shops were allowed to open, the focus for the Retail Team was to trade in a Covid-secure way whilst creating an engaging retail offer for customers. Despite opening fewer days and shorter trading hours; limited customer numbers; and lower footfall, sales in the 5 shops trading in December 2020 were 16% up on the previous year. This was largely driven by strong performance in Bradmoor and Showroom, the relocations of which proved to be fortuitously timed. This gave confidence to make plans to reopen all of our shops as soon as we were able (which they did in April 2021).</p> <p>Thame, Chinnor, Buckingham and Aylesbury High Street remained closed throughout 20/21. This was to mitigate financial loss by saving payroll costs (all of the shops had vacancies) and because they had limited income potential due to size and location. It is considered that all four shops would have lost more money had they opened as the likely sales would not have covered the staff and operating costs.</p> <p>The Online Sales team continued to work throughout the year, including during each lockdown initially with staff and volunteers working at home. The operation was reduced due not being able to sell furniture (40% of sales in 2019) and an inconsistent supply of donations during the periods of lockdown.</p> <p>One of the biggest challenges for the Retail team during 20/21 was stock management due to the unprecedented amount of donations (which all had to be quarantined) alongside reduced waste and recycling collections. This extraordinary level of donations were managed through opening donation drop off points, timed bookings and an incredible amount of work by the Retail team. In the summer of 2020, we received support from landlords to help facilitate donations, by kindly being given use of a second unit in Bradmoor Farm at no cost, and being allowed to have a storage container positioned in the Walton Lodge HQ car park.</p> <p>We were also supported by landlords in Thame, Chinnor, Wendover and Buckingham with generous rent reductions.</p> <p>During the first lockdown, the majority of the Retail team were furloughed and some remained furloughed until the summer, allowing the charity to apply for available Government furlough payments. Following a restructure, a number of new staff joined the Retail team in the final</p>
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	<p>quarter of 20-21 and most other staff were flexi-furloughed – this time was used for induction and training, and prepare the shops for strong trade on re-opening.</p>
<p>To continue to generate sustainable income from our Fundraising operation, for example by prioritising approaches that are most promising at the current time.</p>	<p>The fundraising response to the pandemic was to downsize and restructure the fundraising team to diversify income and reduce activity and staffing in areas most affected by Covid-19.</p> <p>The community, challenge and events team significantly reduced in size and activity, whilst new positions were created in the areas of In Memory giving, Trust fundraising and Individual giving.</p> <p>The income diversification efforts meant income only fell £86,085 during the year, with savings to budget of £275,552 meaning the fundraising team generated an additional surplus of £189,438 compared to budget.</p> <p>The year contained two very successful initiatives, Not the Midnight Walk (NTMNW) and a Crisis appeal.</p> <p>Not the Midnight Walk took place in July 2020 at sunrise with no defined route. It attracted more than 800 walkers and raised over £120,000, nearly twice the amount of a usual Midnight Walk.</p> <p>The Crisis appeal took place in January, in response to the Charity facing a £1 million shortfall in income, whilst also receiving no legacy notifications at this point in the year. All supporters received a letter asking for donations, and more than 1,000 replied, donating more than £130,000.</p> <p>Together, these two initiatives contributed nearly a third of the fundraising team's income for the year, and show the incredible community support for Florence Nightingale Hospice in Buckinghamshire and its borders.</p> <p>During the year, progress was made preparing for Nightingale's Rainbow at Stoke Mandeville Hospital and the associated Nightingales Rainbow appeal</p> <p>www.nightingalesrainbow.org.uk raising funds for the Charity and the Buckinghamshire NHS Charitable Fund. The rainbow is due to be constructed in Summer 2021.</p>
<p>To continue to attract Volunteers to support the Hospice and income generation.</p>	<p>For much of 2020-21 most of our volunteers could not help in the usual way: whether that was in roles assisting patients directly, in our shops or supporting fundraising. The Charity stayed in touch with volunteers through phone calls and e-newsletters. Exceptions were the small group of volunteers who continued to support head office (for example by</p>

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	<p>phoning other volunteers) and the bereavement listeners who continued to provide much needed support throughout the pandemic, either by telephone, or where Covid restrictions allowed, outside in gardens.</p> <p>Our volunteers returned to income generation and administrative roles when this became possible under the Government rules and following a risk assessment process.</p> <p>The gardening volunteers were the first to return to the Hospice in Spring 2021. Many of the volunteers who drive patients to Day Hospice and some of the volunteer therapists returned in June. We have taken the opportunity to revisit the Hospice volunteer roles so that they more accurately meet the needs of the patients. A plan for these roles to return to the Hospice is being devised and includes refreshed training.</p> <p>Since reopening in April 2021, our shops have been affected by a significant proportion of volunteers delaying their return (e.g. waiting for vaccinations) or deciding not to after a year's gap. The Charity Retail Association estimates that 40% of charity shop volunteers have decided to call it a day. Recruitment of new volunteers and training staff to be excellent managers of volunteers is therefore a priority. We have identified that additional Charity staffing will be required to do this.</p>
<p>To review the Charity's IT systems and hardware.</p>	<p>A substantial IT review was carried out by an external provider during 20/21 with a detailed implementation report produced, which recommended:</p> <ul style="list-style-type: none"> • new hardware and software improvements to replace unsupported equipment; • Cloud based computing on Microsoft 365, including internet telephony, Sharepoint for shared files and Teams for collaboration. <p>The implementation of this review has been put out for separate tender, with bids being considered over the summer of 2021 by a small group of trustees and SMT. The implementation project will be completed within the 2021/22 financial year.</p> <p>As part of the IT transformation, the charity's CRM, website and payment processing suppliers will also be reviewed during 2021/22.</p>

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Main objectives for the Florence Nightingale Hospice Charity in 2021-22

- To continue to support the provision of high quality specialist palliative care delivered by the Florence Nightingale Hospice both in the Hospice building and in the community. This includes the continuing two-year pilot project to test Hospice at Home care in the Aylesbury Vale, with the objective in 2021-22 being to increase the hours of operation.
- To explore if other palliative care services need to be funded or if any capital improvements need to be made at the Hospice to benefit patients & staff.
- To set a 3 year strategy for the Charity's operations.
- To further develop the financial and operational oversight of FNHC funded services and projects undertaken by Buckinghamshire Healthcare NHS Trust. This will include jointly producing a Service Level Agreement for each service funded by the Charity.
- To enable income from the Charity's Retail operation to recover and increase: through our current portfolio of shops, online sales and by acquiring & opening additional shops.
- To increase income generation from Fundraising by continuing to diversify income streams and reintroducing public fundraising when restrictions allow.
- To attract additional Volunteers to support the Hospice and income generation following some long-standing members of the team standing down because of the pandemic.
- To implement improvements to the Charity's IT systems and hardware in order to drive business efficiencies.

Financial review

The results for the year ended 31 March 2021 are given in the Consolidated Statement of Financial Activities together with the Consolidated Balance Sheet giving details of the assets and liabilities. The comparative figures are for the year ended 31 March 2020.

The Charity had a deficit before investment gains or losses of £378,356 compared to a surplus in 2020 of £752,554, a fall of £1,130,910, which was largely attributable to the Covid pandemic. However, net income after significant investment gains/(losses) was £624,052 (2020: £113,392).

Legacy income received in the year was £107,518 (2020: £620,033). In common with other charities Legacies are recognised when certain criteria are achieved: the Charity is advised by the personal representative of an estate that the payment will be made, the receipt is probable and the amount involved can be quantified with reasonable certainty.

Grant payments made from the Charity to the Buckinghamshire Healthcare NHS Trust increased by £113,431 to £887,238. (The Charity had in fact budgeted for the higher sum of £1,010,686 but the Trust kept some vacancies unfilled e.g. in the Day Hospice team because normal operations could not be pursued during the pandemic. In addition to grant funding, a further £97,238 was provided to support the Hospice (2020: £149,903). Overall expenditure on charitable activities increased by £130,495 to £1,116,062.

Report of the trustees

There was significant fixed asset spend during the year of £268,943 (2020: £56,330) as the Charity invested in the large new Retail premises at Broadfields, Aylesbury and brought the Chinnor and Thame shops up to standard.

The Charity's bank balance as at 31 March 2020 was £212,802 (2020: £938,223). This includes committed funds to cover the Quarter 4 payment to Buckinghamshire Healthcare NHS Trust for £237,409 which was paid in June 2021.

Post Balance Sheet Events

As mentioned, Covid-19 is having a continuing impact on the Charity. Please see the Risk Management section (above) and Going Concern section (below) for more information.

The Charity is continuing to explore the possibility of a claim under business interruption insurance due to the continued closure of our shops in 2020/21.

Investments Performance Review

The Charity's investment portfolio is managed by Cazenove Capital Management Limited. The assets are invested in accordance with the investment managers 'progressive' mandate, this being a portfolio which can invest in an array of asset classes including but not limited to equities, fixed income, commercial property, portfolio funds and hedge funds primarily through Common Investment Funds and Open Ended Investment Companies, to provide both income and capital appreciation. Investment parameters are set within this mandate for each asset class. The Charity does not invest in tobacco companies.

The Florence Nightingale Hospice Charity portfolio continues to remain well diversified within the confines of the mandate. The Charity's investments were revalued at 31 March 2021 at a market value in accordance with the accounting policies resulting in a significant unrealised gain of £1,002,408 (2020: unrealised loss of £639,162). This reflects the recovery in investments that followed the temporary collapse triggered by the pandemic, followed by further growth. Given the financial impact of the pandemic, Trustees took the decision to encash £0.5 million of investments in November 2020 once markets had recovered, in order to meet the Charity's commitments to Buckinghamshire Healthcare NHS Trust. The value of the investments at 31 March 2021 was £5,183,035.

The main focus is on long term capital growth rather than income generation, although £96,246 was received in the year and reinvested by our Investment Manager. The income on our investments was 2.09% (£96,246 on £4,604,000) which is higher than the investment policy set by the Charity. The Total Return on the portfolio over the 12 month period to 31st March 2021 was 24.6%. (vs 26.67% for the FTSE All Share and 23.53% for the ARC PCI Growth Index.

The care of the investment portfolio comes under the remit of the main Board with the detail being reviewed by the Finance Committee. A Cazenove Capital management representative attends the Board twice yearly to review the performance of the Charity's investments.

Reserves policy

During 2020-21, the Trustees have reviewed the Charity's Reserves policy in light of recent experience during the pandemic, the long-term financial commitments of the Charity, and the Trustees' desire to fund additional Hospice related services in the medium to long term. In formulating a new reserves policy, the trustees have considered the Charity Commission Guidance on reserves (CC19).

Report of the trustees

Free reserves are that part of a charity's unrestricted funds that are freely available to spend on any of the charity's purposes. The starting point for calculating the amount of free reserves held is therefore the amount of unrestricted funds held by a charity. However, some or all of the unrestricted funds of a charity may not be readily available for spending. This is because spending those funds may adversely impact on the charity's ability to deliver its aims. In accordance with the Charity Commission guidance, the items that should be excluded from free reserves are:

- Commitments that have not been provided for as a liability in the accounts:
 - The Florence Nightingale Hospice Charity generally has in place a series of three-year contracts with Buckinghamshire Healthcare NHS Trust (BHT) for the provision of various services at or connected to the Florence Nightingale Hospice. These contracts have staggered dates and therefore on average have eighteen months to two years unexpired term; and
 - The Charity has long term financial commitments on the leases on its shops and head office premises.
- Designated funds set aside to meet essential future spending, such as funding a project that could not be met from future income:
 - A recent example of this was the FNH@Home service.

The remaining unrestricted reserves, 'free reserves', should be adequate to cover fluctuations in the Charity's finances brought about by the unpredictability of income sources or unexpected costs that might arise. The recent pandemic has shown that some of the Charity's income streams are susceptible to fluctuation e.g. shop income, which along with the unpredictable nature of legacy income, results in a degree of volatility of income. For much of the year the forecast loss was running at six months running costs, but ended up being four months running costs after the Charity received the equivalent of four months running costs in Government support (from the Job Retention Scheme and the grants for closed shops). In other words the real loss was eight months' worth of running costs.

We also anticipate a small loss next year as income recovers after the pandemic. In light of this experience, the trustees believe that the Charity should aim to hold free reserves of between six and twelve-months running costs, alongside designated reserves to cover the long-term financial commitments and future essential project funding.

Designated reserves at 31 March 2021 were £3,945,773 (2020: £2,140,217). Target free reserves are in the range £650,000 - £1,300,000. At 31 March 2021 free reserves were £1,498,991.

Fundraising standards information

The Fundraising Strategy, which identifies our income streams and the approach taken for each activity in line with the Code of Fundraising Practice, was reviewed and approved by the Trustees as part of budgeting in February 2021.

The Charity is registered with the Fundraising Regulator. The Fundraising Regulator holds the Code of Fundraising Practice for the UK. We follow the Code and ensure that our fundraising is respectful, open, honest and accountable to the public. All fundraising is done in-house and not outsourced to any professional fundraisers or commercial partners.

All fundraising activity is carried out within the terms of the Charity's Vulnerable Person Policy, which places a strict duty on staff as regards to appropriate communication and behaviour. The charity prevents

Report of the trustees

unreasonable intrusion and persistent approaches by excluding recently bereaved individuals from mass communications for 1 year. Supporters also receive a maximum of four fundraising appeals a year. Supporters also have the ability to opt-in or opt-out of fundraising communications. As frontline fundraisers routinely work with bereaved individuals, regular bereavement training is compulsory for all fundraising staff and forms part of the induction process of new fundraisers.

The Charity has not received any complaints regarding its fundraising efforts in the year ended 31 March 2021 or to the date of this report.

In all our policies and practices we have not actively sought additional data that is not already in the public domain. We only record data that people opt to provide to us. We do not run face to face or telephone fundraising campaigns.

Going Concern

As set out throughout this report, the Covid-19 pandemic had a profound impact on most of the Charity's income streams and operations in 2020/21. Challenges remain in 2021/22. These include the delayed relaxation of lockdown restrictions because of the prevalence of the Delta variant, the prediction that there will be increased cases of influenza in the winter, and the likelihood that any future Government financial compensations will be less generous along with insurers no longer offering cover against Covid-19 risks. Because of this we have budgeted for a small loss in 21/22. Profit exceeds budget for the first two months of the year.

Our approach to fundraising in 2021/22 includes a cautious return to more in-person community and events fundraising as this becomes possible. Because mass gatherings were not permitted until after the 19th July 2021, the flagship Midnight Walk took the form of 'Not the Midnight Walk' for a second year with participants walking from their own chosen location at dawn on 10th July. Our overall strategy involves continuing to develop the fundraising approaches that we invested in last year through the staffing restructure. The team is focussed on In Memory, individual giving, applying to charitable trusts and partnering with local companies. The Nightingale's Rainbow fundraising initiative with Buckinghamshire NHS Charitable Fund is also a priority.

As noted for Retail, when the Government restrictions lifted on 12th April 2021, 7 of our shops reopened as well as the Furniture Showroom. Three of these shops had not traded since March 2020. The new Buckingham shop opened for the first time on Thursday 15th April.

The focus for the Retail Team remains to trade in a Covid-secure way whilst creating an engaging retail offer for customers. As expected, social distancing, mandatory mask wearing for shoppers, challenges around handling donations and lower volunteer numbers remain significant challenges for the Retail operation and all have an impact on income. However, due to the investments made in people, property and product, Retail performance since reopening has been strong, and looks to be mitigating the impact on income that comes with the on-going pandemic situation.

The 2021/22 Retail budget has been set to allow for a gradual build in sales over the first 4 months to allow for these challenges. Profit has also been boosted by the Government Restart grants that were paid in April 2021, and the news that no business rates are payable in the year. It is hoped that sales will return to more normal levels as restrictions lift and vaccination numbers increase, and that the more optimistic performance originally planned for in 2020 will be realised in 2021/22.

The financial statements have been prepared on a going concern basis. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern despite the continuing

Report of the trustees

impact of Covid-19. The Charity can call on the experience of handling the unprecedented situation in 2020/21. This and our free reserves mean Going Concern remains the appropriate basis.

Volunteers

The Charity benefits from the support of around 450 volunteers of all ages who use their skills and experience to work alongside Charity staff on retail and fundraising activities, and with Hospice staff providing direct patient and family support.

As noted, volunteering was very disrupted in 2020/21 with the Hospice limiting on site attendance, our shops needing to shut and public fundraising curtailed. The Trustees would like to thank volunteers for returning when that became possible, and for their continuing commitment and dedication.

As noted, we have an objective to attract additional volunteers and this will be a priority in 2021-22. In doing so we will seek to increase the numbers of young volunteers, especially in our retail shops, as well as reaching out widely in order to more accurately reflect our community.

Without the time, expertise, generosity and compassion of our volunteers we could not support and enhance the lives of local patients and families or raise the funds needed to secure vital palliative care services for our community.

Staff

The Trustees would like to thank all of the staff of Florence Nightingale Hospice Charity for their hard work and dedication in raising and administering the funds needed by the Hospice during this most challenging time. The team showed great resilience and flexibility whether they worked throughout the pandemic period or needed to be furloughed. The CEO and senior management team issued frequent updates to staff during the year about the issues faced by the Charity. An employee consultative committee was created and a monthly e-newsletter.

As part of the Charity's growth strategy the original budget for 2020-21 had included some additional specialist posts to increase the profitability of retail and fundraising: specifically by diversifying our fundraising approaches and developing the retail management team prior to acquiring additional shops. When the severity of Covid-19 became clear in March 2020 this recruitment was put on hold. In the summer of 2020 Trustees and the senior management team agreed on a restructure programme because some existing roles could not be pursued successfully for the foreseeable future and in order to bring in the additional skills and experience already identified. Of the staff affected, some were successful in applying for newly created roles and others opted for voluntary redundancy. No compulsory redundancies were made. The cost of redundancies for the Charity and Shops in 2021/22 was £59,833. As part of this process contracts of employment were reviewed and updated.

Trustees would also like to record their sincere thanks to all of the staff of Florence Nightingale Hospice for how they adapted the delivery of their skilled and compassionate care for local people despite the challenges posed by the Covid-19 pandemic.

Pay policy for senior staff

The directors, who are the Charity's trustees, the Chief Executive and the senior management team (see below) comprise the senior management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All Trustees give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 9 to the accounts.

Report of the trustees

The Senior Management Team consists of the Chief Executive, Head of Retail, Head of Fundraising, Head of HR & Volunteering and Finance Manager. Mr Mike Stubberfield is retiring as Finance Manager in July 2021 and Trustees offer their thanks for his conscientious management of the Charity's finances over the last 6 years. Mrs Anne Roberts has joined as Head of Finance.

The pay of all staff is reviewed and benchmarked periodically against similar-sized charitable organisations within the sector. The salaries of the Senior Management Team will be benchmarked in 2021-22. We also plan to review the pay of the Retail team as both the Covid pandemic and Brexit have put pressure on wages.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and 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 of its income and expenditure for that year.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure of information to auditors

So far as the Trustees are aware, there is no relevant information of which the charitable company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Azets Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

In preparing this report, the Trustees have taken advantage of the exemptions provided by section 415A of the Companies Act 2006. Preparing the accounts of a small company does not require the preparation of a Strategic Report, although much of the typical content of such a report is included within the Trustees Report.

Report of the trustees

Approved by the Board of Trustees on 4 August 2021 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Alan Watt', written in a cursive style.

Alan Watt
Chairman of Trustees

Independent Auditor's Report to the members and trustees of Florence Nightingale Hospice Charity

Opinion

We have audited the financial statements of Florence Nightingale Hospice Charity (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, Consolidated balance sheet, Charity balance sheet, Consolidated 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 and parent charitable company's affairs as at 31 March 2021 and 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Independent Auditor's Report to the members and trustees of Florence Nightingale Hospice Charity

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 and sufficient 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 obtained all the information and explanations necessary for the purposes of our audit; or
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the trustee's report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 they 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 Charity'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 Charity 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.

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

Independent Auditor's Report to the members and trustees of Florence Nightingale Hospice Charity

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity'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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Paul Creasey (Senior Statutory Auditor)
For and on behalf of Azets Audit Services, Statutory Auditor
High Wycombe

Date: 4 August 2021

Principal accounting policies

General Information

Florence Nightingale Hospice Charity is a company limited by guarantee incorporated and domiciled in England. Its registered office address is Unit 2 Walton Lodge, Walton Street, Aylesbury, Buckinghamshire, HP21 7QY.

Summary of significant accounting policies and key accounting estimates

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

Public benefit

Florence Nightingale Hospice Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The financial statements have been prepared on a going concern basis. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. In making this assessment, the Trustees have considered the level of funds held and the expected levels of income and expenditure for the 12 month period after approving these financial statements. Notwithstanding the ongoing impact of Covid-19 on the organisation as set out in the Trustees Report, the budgeted level of income and expenditure is sufficient with the level of reserves held for the charity to be able to continue as a going concern.

Accounting convention

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 issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The consolidated statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking on a line by line basis. No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006 and as permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements.

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

Income

All income is included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donations and gifts

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Legacies are included when the Charity is advised by the personal representative of an estate that the payment will be made, the receipt is probable and the amount involved can be quantified with reasonable certainty. They are included in the statement of financial activities.

Cash collected to which the Charity is legally entitled but which has not been received at the year-end is included as income.

Principal accounting policies

Donations under Gift Aid together with the associated income tax recoveries are credited as income when donations are received.

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. 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.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Investment Income

Investment income, including associated income tax recoveries, is recognised when receivable.

Government Grants

The Charity received government grants in respect of the Coronavirus Job Retention Scheme. Income from government and other grants is recognised at fair value when the charity has entitlement after any Performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Expenditure

Expenditure is accounted for on an accruals basis 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 resources. Expenditure is allocated between:-

- **Costs of raising funds** - These include costs of generating donations and legacies, costs of fundraising trading and costs of managing investments.
- **Charitable activities** - These comprise all the resources applied by the Charity in undertaking its work to meet its charitable objectives.
- **Governance costs** - These include the costs of governance arrangements which relate to the general running of the Charity and the compliance with constitutional and statutory requirements.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Principal accounting policies

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold improvements	Straight Line over the lower of 10 years or the life of the lease
Fixtures & fittings	20% Straight Line
Computer equipment	20% Straight Line
Vans	20% Straight Line

Capital expenditure over £1,000 is capitalised.

Tangible assets are stated at cost less accumulated depreciation.

Investments

Assets held for investment purposes are valued at market value at the balance sheet date. Traded securities are valued at their market quotation as at the year-end date.

Unlisted investments are stated at cost at the balance sheet date. Net gains and losses arising on revaluations and disposals during the year are included in the Statement of Financial Activities.

Other financial instruments

a) Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

b) Other debtors

Other debtors are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing rate of interest.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Taxation

The Charity is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the Charity's subsidiary company because the

Principal accounting policies

directors of this company have indicated that they intend to make donations each year to the Charity equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are monies earmarked by the Trustees for specific purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a Stakeholder pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Estimations

Support costs are those which are necessary to deliver an activity but which are not, in themselves, a direct cost of an event or a charitable activity. They include central office functions such as general management, staff and payroll costs including training, accounting and finance, information technology, marketing, human resources and premises costs. The costs have been allocated based on staff time spent.

Consolidated statement of financial activities

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income						
Donations, Legacies and Grants	1	1,081,519	-	81,755	1,163,274	1,468,956
Income from other trading activities	2	689,801	-	-	689,801	1,412,351
Other income		150	-	-	150	1,800
Income from investments	3	96,305	-	-	96,305	126,894
Total income		1,867,775	-	81,755	1,949,530	3,010,001
Expenditure						
Costs of raising funds:						
Fundraising	4	301,350	-	-	301,350	475,352
Shops Trading	4	825,050	-	-	825,050	796,528
Support staff costs	4	102,275	-	-	102,275	-
Expenditure on charitable activities	5	919,755	-	196,307	1,116,062	985,567
Total resources expended		2,148,430	-	196,307	2,344,737	2,257,447
Taxation	11	(16,851)	-	-	(16,851)	-
Net income before gains/(losses) on investments		(263,804)	-	(114,552)	(378,356)	752,554
Unrealised gains/(losses) on investment assets	13	1,002,408	-	-	1,002,408	(639,162)
Net income/expenditure		738,604	-	(114,552)	624,052	113,392
Transfers between funds		(1,805,556)	1,805,556	-	-	-
Net movement in funds	17	(1,066,952)	1,805,556	(114,552)	624,052	113,392
Reconciliation of funds						
Total funds brought forward at 1 st April 2020		2,565,943	2,140,217	147,271	4,853,431	4,740,039
Total funds carried forward at 31st March	17	1,498,991	3,945,773	32,719	5,477,483	4,853,431

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. All the above results are derived from continuing activities. All gains and losses recognised in the year are included.

Consolidated balance sheet

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Fixed assets						
Tangible Assets	12	299,188	-	-	299,188	78,926
Investments	13	1,237,262	3,945,773	-	5,183,035	4,405,276
		<u>1,536,450</u>	<u>3,945,773</u>	<u>-</u>	<u>5,482,223</u>	<u>4,484,202</u>
Current assets						
Stocks	14	2,893	-	-	2,893	5,010
Debtors	15	376,816	-	-	376,816	400,857
Cash at bank and in hand		180,083	-	32,719	212,802	938,223
		<u>559,792</u>	<u>-</u>	<u>32,719</u>	<u>592,511</u>	<u>1,344,090</u>
Creditors						
Amounts falling due within one year	16	(597,251)	-	-	(597,251)	(974,861)
Net current (Liabilities)/Assets		<u>(37,459)</u>	<u>-</u>	<u>32,719</u>	<u>(4,740)</u>	<u>369,229</u>
Total assets less current liabilities		<u>1,498,991</u>	<u>3,945,773</u>	<u>32,719</u>	<u>5,477,483</u>	<u>4,853,431</u>
Net Assets		<u>1,498,991</u>	<u>3,945,773</u>	<u>32,719</u>	<u>5,477,483</u>	<u>4,853,431</u>
Funds						
Unrestricted funds:					1,498,991	2,565,943
Designated funds:					3,945,773	2,140,217
Restricted donations					32,719	147,271
Total funds	17				<u>5,477,483</u>	<u>4,853,431</u>

These financial statements were approved by the Board of Trustees on 4 August 2021...and were signed on their behalf by:




Alan Watt
Chairman of Trustees

Charity balance sheet

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Fixed assets						
Tangible Assets	12	11,147	-	-	11,147	18,670
Investments	13	1,237,264	3,945,773	-	5,183,037	4,405,276
		<u>1,248,411</u>	<u>3,945,773</u>	<u>-</u>	<u>5,194,184</u>	<u>4,423,946</u>
Current assets						
Debtors	15	843,764	-	-	843,764	771,193
Cash at bank and in hand		146,604	-	32,719	179,323	480,147
		<u>990,368</u>	<u>-</u>	<u>32,719</u>	<u>1,023,087</u>	<u>1,251,340</u>
Creditors						
Amounts falling due within one year	16	(579,024)	-	-	(579,024)	(864,223)
Net current assets		<u>411,344</u>	<u>-</u>	<u>32,719</u>	<u>444,063</u>	<u>387,117</u>
Total assets less current liabilities		<u>1,659,755</u>	<u>3,945,773</u>	<u>32,719</u>	<u>5,638,247</u>	<u>4,811,063</u>
Net Assets		<u>1,659,755</u>	<u>3,945,773</u>	<u>32,719</u>	<u>5,638,247</u>	<u>4,811,063</u>
Funds						
Unrestricted funds:					1,659,755	2,523,575
Designated funds:					3,945,773	2,140,217
Restricted donations					32,719	147,271
Total funds	17				<u>5,638,247</u>	<u>4,811,063</u>

These financial statements were approved by the Board of Trustees on 4 August 2021 and were signed on their behalf by:


Alan Watt
Chairman of Trustees

Consolidated Cash flow statement

	2021 £	2020 £
Cash flows from operating activities:		
Net cash provided / (used in) by operating activities (analysed below)	(683,094)	1,193,847
	<u>(683,094)</u>	<u>1,193,847</u>
Cash flows from investing activities:		
Purchase of tangible fixed assets	(266,976)	(25,461)
Purchase of investments	(1,755,796)	(2,091,957)
Proceeds from sale of investments	1,980,445	1,183,842
Net cash used in investing activities	<u>(42,327)</u>	<u>(933,576)</u>
Change in cash and cash equivalents in the reporting period	(725,421)	260,271
Cash and cash equivalents at the beginning of the reporting period	938,223	677,952
Cash and cash equivalents at the end of the reporting period	<u>212,802</u>	<u>938,223</u>

Note:

Reconciliation of net movement in funds

	2021 £	2020 £
Net movement in funds for the reporting period (as per the statement of financial activities)	624,052	111,392
Adjustments for:		
Depreciation charges	46,714	45,466
Loss on disposal of fixed asset	-	-
Unrealised investment gains	(1,002,408)	639,162
Movement in stocks	2,117	3,309
Movement in debtors	24,041	(165,196)
Movement in creditors	(377,610)	559,714
Net cash provided by / (used in) operating activities	<u>(683,094)</u>	<u>1,193,847</u>

Analysis of changes in net funds

	2020 £	Cash Flows £	2021 £
Cash and cash equivalents	<u>938,223</u>	<u>(725,421)</u>	<u>212,802</u>

Notes to the financial statements

1 Donations, Legacies and Grants

	2021	2020
	£	£
Donations (including In Memory and grants from Charitable Trusts)	630,942	848,923
Legacies	107,518	620,033
Government grants:		
Furlough receipts for Charity	29,860	-
Furlough receipts for Shops	138,130	-
Local Authority Covid-19 Shops Grants	256,824	-
	<u>1,163,274</u>	<u>1,468,956</u>

Government grants

The Charity has been eligible to claim additional funding in year from Government support schemes in response to the coronavirus outbreak. The Charity furloughed 34 employees under the Government's CJRS.

2 Income from other trading activities

	2021	2020
	£	£
Fundraising from mass-participation and community events	216,140	378,405
Shop income	255,809	808,946
Lottery	217,852	225,000
	<u>689,801</u>	<u>1,412,351</u>

3 Income from investments

	2021	2020
	£	£
Bank interest received	59	1,173
Dividends received	96,246	125,721
	<u>96,305</u>	<u>126,894</u>

Notes to the financial statements (continued)

4	Costs of raising funds	2021	2020
		£	£
	Fundraising		
	Direct staff costs (note 7)	203,189	252,628
	Fundraising expenses and promotion	26,503	102,569
	Support staff costs (note 7)	-	-
	Support other costs	71,658	120,155
		301,350	475,352
	Shops Trading		
	Staff costs (note 7)	501,456	456,265
	Other costs	323,594	340,263
		825,050	796,528
	Support staff costs (note 7)	102,275	-
5	Expenditure on charitable activities	2021	2020
		£	£
	Grant funding to staff and services delivered by Florence Nightingale Hospice	887,238	773,807
		887,238	773,807
	Capital Improvements	36,882	13,034
	Direct costs - Paravan	3,649	5,347
	Direct costs – Specialist Palliative Care Education and Training	681	9,044
	Other direct costs	26,167	22,586
	Staff costs (note 7)	66,781	112,927
	Governance (note 6)	94,664	48,823
		1,116,062	985,568
6	Governance costs	2021	2020
		£	£
	Staff costs (note 7)	37,328	15,701
	Legal and professional fees	47,356	21,991
	Auditors' remuneration	9,230	9,000
	Auditors' remuneration for non-audit services	750	2,131
		94,664	48,823

Notes to the financial statements (continued)

7	Allocation of staff costs						
	2021:	Fundraising £	Shop £	Governance £	Charitable Activities £	Support £	2021 Total £
	Payroll	201,215	501,456	37,328	65,186	102,275	907,460
	Recruitment & Training	1,598	-	-	1,033	564	3,195
	Other staff costs	376	-	-	562	47	985
		<u>203,189</u>	<u>501,456</u>	<u>37,328</u>	<u>66,781</u>	<u>102,886</u>	<u>911,640</u>
	2020:	Fundraising £	Shop £	Governance £	Charitable Activities £	Support £	2020 Total £
	Payroll	247,252	456,208	15,701	103,704	-	822,865
	Recruitment & Training	3,753	57	-	4,152	-	7,962
	Other staff costs	1,623	-	-	5,071	-	6,694
		<u>252,628</u>	<u>456,265</u>	<u>15,701</u>	<u>112,927</u>	<u>-</u>	<u>837,521</u>

The allocation of staff costs has been reviewed. A proportion of costs have been allocated to the Support function. This is defined as costs which are necessary to deliver an activity but which are not, in themselves, a direct cost of an event or a charitable activity. They include central office functions such as general management, staff and payroll costs including training, accounting and finance, information technology, marketing, human resources and premises costs. The costs have been allocated based on staff time spent.

8 Net income

Net income is stated after charging

	2021	2020
	£	£
Auditors' remuneration: Parent company	5,350	5,250
Auditors' remuneration: Group (Including Parent company)	9,230	9,000
Auditors' remuneration for non-audit services	750	2,131
Depreciation	46,714	45,466
Operating lease payments – land and buildings	<u>220,460</u>	<u>219,088</u>

9 Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 (2020: nil).

Trustees' expenses

There were no expenses reimbursed to the Trustees in the year ended 31 March 2021 (2020: nil).

Donations from trustees

Donations from trustees totalled £845 in the year ended 31 March 2021 (2020: £4,767)

10 Staff costs

	2021	2020
	£	£
Wages and salaries	825,615	744,672
Social security costs	55,449	52,466
Pension costs	26,396	25,727
	<u>907,460</u>	<u>821,430</u>

Notes to the financial statements (continued)

The average number of persons employed by the Charity during the period was as follows:

	2021 FTE	2020 FTE	2021 No.	2020 No.
Fundraising	26	25	35	33
Administration	3	3	7	7
Governance	1	1	1	1
Charitable activities	3	2	2	2
	<u>33</u>	<u>31</u>	<u>45</u>	<u>43</u>

No employee earned more than £60,000 during the year (2019: nil).

Key management personnel (as defined in the Trustees' Annual Report) total remuneration was £275,472 (2020: £238,620).

Total redundancy payments amount to £ 59,833 (2020 - £Nil) and related to restructuring.

11 Taxation

The deferred tax asset arises on losses sustained by the trading subsidiary and is expected to be realised within the next 12 months.

12 Tangible fixed assets

Group	Short leasehold improvements £	Fixtures and fittings £	Vans £	Computer Equipment £	Totals £
Cost					
At 1 April 2020	29,913	131,826	30,259	73,535	265,533
Additions	12,022	248,097	-	6,857	266,976
Disposals	-	-	-	-	-
At 31 March 2021	<u>41,935</u>	<u>379,923</u>	<u>30,259</u>	<u>80,392</u>	<u>532,509</u>
Depreciation					
At 1 April 2020	27,318	75,496	22,960	60,833	186,607
Charge for the year	3,049	35,484	3,649	4,532	46,714
On disposal	-	-	-	-	-
At 31 March 2021	<u>30,367</u>	<u>110,980</u>	<u>26,609</u>	<u>65,365</u>	<u>233,321</u>
Net Book Amount					
At 31 March 2021	<u>11,568</u>	<u>268,943</u>	<u>3,650</u>	<u>15,027</u>	<u>299,188</u>
At 31 March 2020	<u>2,595</u>	<u>56,330</u>	<u>7,299</u>	<u>12,702</u>	<u>78,926</u>

Notes to the financial statements (continued)

Tangible fixed assets (continued)

Charity

	Fixtures and fittings £	Vans £	Computer Equipment £	Totals £
Cost				
At 1 April 2020	12,109	18,245	33,729	64,083
Additions	-	-	-	0
At 31 March 2021	<u>12,109</u>	<u>18,245</u>	<u>33,729</u>	<u>64,083</u>
Depreciation				
At 1 April 2020	9,873	10,947	24,594	45,414
Charge for the year	869	3,649	3,004	7,522
At 31 March 2021	<u>10,742</u>	<u>14,596</u>	<u>27,598</u>	<u>52,936</u>
Net Book Amount				
At 31 March 2021	<u>1,367</u>	<u>3,649</u>	<u>6,131</u>	<u>11,147</u>
At 31 March 2020	<u>2,236</u>	<u>7,298</u>	<u>9,136</u>	<u>18,670</u>

13 Fixed asset investments

Group

	Listed Investments £	Shares in participating interests £	Totals £
Market value			
At 1 April 2020	4,388,597	16,679	4,405,276
Additions	1,755,796	-	1,755,796
Disposals	(1,980,445)	-	(1,980,445)
Investment gains / (losses)	1,002,408	-	1,002,408
At 31 March 2021	<u>5,166,356</u>	<u>16,679</u>	<u>5,183,035</u>
Net book value			
At 31 March 2021	<u>5,166,356</u>	<u>16,679</u>	<u>5,183,035</u>
At 31 March 2020	<u>4,388,597</u>	<u>16,679</u>	<u>4,405,276</u>

Notes to the financial statements (continued)

Fixed asset investments (continued)

Charity	Shares in group undertakings £	Listed Investments £	Shares in participating interests £	Totals £
Market value				
At 1 April 2020	2	4,388,597	16,679	4,405,278
Additions	-	1,755,796	-	1,755,796
Disposals	-	(1,980,445)	-	(1,980,445)
Investment gains/ (losses)	-	1,002,408	-	1,002,408
At 31 March 2020	<u>2</u>	<u>5,166,356</u>	<u>16,679</u>	<u>5,183,037</u>
Net book value				
At 31 March 2021	<u>2</u>	<u>5,166,356</u>	<u>16,679</u>	<u>5,183,037</u>
At 31 March 2020	<u>2</u>	<u>4,388,597</u>	<u>16,679</u>	<u>4,405,278</u>

The historical cost of listed investments (for Group and Charity) held at the year-end was £4,015,539 (2020: £4,294,786).

The Company's investments at the balance sheet date in the share capital of group undertakings include the following:

The Hospice Lottery Partnership Limited

At 31 March 2021 the charitable company owned fourteen shares of £1 nominal value each in The Hospice Lottery Partnership Limited, a company registered in England and Wales, carrying out fundraising for six hospices including Florence Nightingale Hospice Charity. Florence Nightingale Hospice Charity has held an interest in The Hospice Lottery Partnership Limited since its incorporation in 1997. The directors consider this an investment as they have no significant influence and have no management rights in the strategic, tactical or operational decisions made by The Hospice Lottery Partnership Limited. The value of the investment in the company is recognised at cost as the equity investment is unquoted and the value cannot be measured reliably. The group does not intend to dispose of the investment in the foreseeable future.

Florence Nightingale Hospice Shops Limited

Nature of business: Operating Charity shops

Class of share:	% holding	2021 £	2020 £
Ordinary	100		
Aggregate capital and reserves		<u>(160,761)</u>	<u>42,372</u>

The investment in group undertakings relates to the cost of the 2 ordinary shares of £1 each, being 100% of the issued share capital of Florence Nightingale Hospice Shops Limited, a company incorporated in England and Wales, which is the trading subsidiary of the charitable company.

Notes to the financial statements (continued)

A summary of the results of the subsidiary is shown below:

	2021 £	2020 £
Turnover	249,561	808,945
Cost of sales	(24,948)	(55,053)
Gross profit	224,613	753,892
Administrative expenses	(794,967)	(713,571)
Other operating income, interest and Charity recharge receivable	401,396	2,047
Net (loss)/profit before taxation	(168,958)	42,368
Tax on (loss)/profit	16,851	-
(Loss)/profit for the financial year	(152,107)	42,368
The aggregate of the assets, liabilities and funds was:		
Assets	424,478	637,746
Liabilities	(585,239)	(595,376)
Deficit/Funds	(160,761)	42,370

14 Stocks

	2021 £	2020 £
Group	2,893	5,010

15 Debtors: Amounts falling due within one year

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Amounts owed by group undertakings	-	567,013	-	562,739
Prepayments and accrued income	122,778	58,699	196,822	40,068
Deferred Tax Asset	16,851			
Other debtors	237,187	218,052	204,035	168,386
	376,816	843,764	400,857	771,193

16 Creditors: Amounts falling due within one year

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Trade creditors	455,435	455,451	795,149	783,002
Taxation and social security	13,385	6,960	15,909	8,556
Other creditors	128,431	116,613	163,803	72,665
	597,251	579,024	974,861	864,223

Notes to the financial statements (continued)

17 Movement in funds

Group

	At 1 April 2020 £	Net movement in funds £	At 31 March 2021 £
Unrestricted funds	2,565,943	(1,066,952)	1,498,991
Designated funds	2,140,217	1,805,556	3,945,773
Restricted funds	147,271	(114,552)	32,719
Total funds	4,853,431	624,052	5,477,483

Charity

	At 1 April 2020 £	Net movement in funds £	At 31 March 2021 £
Unrestricted funds	2,523,575	(863,820)	1,659,755
Designated funds	2,140,217	1,805,556	3,945,773
Restricted funds	147,271	(114,552)	32,719
Total funds	4,811,063	827,184	5,638,247

Designated funds have been set up for:

1. An investment income fund to reflect the unrealised gains on the listed investment portfolio.
2. The funding of:
 - 2.1. The Charity's contribution to palliative and end of life services delivered by the Florence Nightingale Hospice, part of Buckinghamshire Healthcare NHS Trust, in 2021/22 and 2022/23,
 - 2.2. A 5% overheads contribution to the cost of Hospice staff funded by the Charity,
 - 2.3. An estimated £30,000 annual contribution to upgrading the Hospice building,
 - 2.4. Rentals due on the Charity's HQ building and its current portfolio of shops to the end of their leases, and
 - 2.5. An estimate of the rentals due on new shop leases likely to be acquired in 2021/22.

Restricted funds

During the year the group and the charitable company received donations that the donors had specified to be spent on certain areas of the Charity's expenditure. These are classified as restricted funds as follows:

	At 1 April 2020 £	Monies received £	Expenditure in year £	At 31 March 2021 £
Staff Benefit	2,182	62,400	(35,328)	29,254
FNH@Home	132,936	14,893	(147,829)	-
Day Hospice	1,300	-	-	1,300
Lymphoedema	-	2,901	(736)	2,165
Florie's Children's Team	10,853	1,561	(12,414)	-
	147,271	81,755	(196,307)	32,719

Notes to the financial statements (continued)

17 Movement in funds (continued)

	At 1 April 2019 £	Monies received £	Expenditure in year £	At 31 March 2020 £
Staff Benefit	4,000	2,182	(4,000)	2,182
FNH@Home	-	229,500	(96,564)	132,936
Out of Hours Support	-	1,300	-	1,300
Lymphoedema	-	701	(701)	-
Florrie's Children's Team	-	35,913	(25,060)	10,853
	<u>4,000</u>	<u>269,596</u>	<u>(126,325)</u>	<u>147,271</u>

18 Related party disclosure

The group and the charitable company received monies from The Hospice Lottery Partnership Limited of which it is a shareholder, totalling in the year £217,852 (2020: £225,000). At the year-end there was a balance of £30,000 owed from The Hospice Lottery Partnership Limited to the Group and the Charitable Company (2020: £18,075).

Jo Turner (Chief Executive) is also a director of The Hospice Lottery Partnership Limited as the representative of the Charity. The Hospice Lottery Partnership Limited was established in 1997 and Florence Nightingale Hospice Charity is one of the three founding hospices it supports, benefitting from a contribution to our funds of £2,399,852 since that time. There are now six hospices which are supported through this company. Florence Nightingale Hospice Charity owns shares in The Hospice Lottery Partnership Limited from which it receives a share of the profits raised.

As mentioned, when needed the Charity use the services of Parrott and Coales LLP for legal advice and to process property leases. Mr J Leggett from Parrott and Coales LLP is a Trustee. The value of the amount spent by the Charity with Parrott and Coales LLP in 2020-21 is £12,312 + VAT for legal work. (2019-20 is £16,447 + VAT)

As mentioned, in 2020-21 the Charity has benefited from the services of Brown & Lee in preparing formal submissions and counter-submissions related to the rent review of its HQ office. A fee of £2,000 plus VAT was paid for this service on 19th October 2020. Currently Mr Peter Bridgman of Brown & Lee is a Trustee and other work on this case was carried out by him at no charge.

19 Operating lease commitments

As at 31 March 2021 the Charity had total commitments under non-cancellable leases as follows:

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Within one year	263,310	114,720	232,532	139,063
Between one and five years	761,328	221,746	711,156	388,796
In more than five years	353,135	21,549	188,694	39,037
	<u>1,377,773</u>	<u>358,015</u>	<u>1,132,382</u>	<u>566,896</u>

Notes to the financial statements (continued)

20 Outstanding membership liability

Each member gives a guarantee to contribute a sum, not exceeding £10, to the Charity should it be wound up.

21 Financial instruments

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Financial assets measured at fair value through net income/expenditure				
Fixed asset investments	<u>5,166,356</u>	<u>5,166,356</u>	<u>4,388,592</u>	<u>4,388,592</u>
Financial assets measured at amortised cost				
Fixed asset investments	<u>16,179</u>	<u>16,179</u>	<u>16,179</u>	<u>16,179</u>
Debt instruments measured at amortised cost				
Other debtors	<u>254,038</u>	<u>218,052</u>	<u>204,035</u>	<u>168,386</u>
Amounts owed by group undertakings	<u>-</u>	<u>567,013</u>	<u>-</u>	<u>562,739</u>
	<u>254,038</u>	<u>785,065</u>	<u>204,035</u>	<u>731,125</u>
Financial liabilities measured at amortised cost		-		
Trade creditors	<u>455,435</u>	<u>455,451</u>	<u>795,149</u>	<u>783,002</u>
Other creditors	<u>128,431</u>	<u>116,613</u>	<u>163,803</u>	<u>72,665</u>
	<u>583,866</u>	<u>572,064</u>	<u>974,861</u>	<u>864,223</u>

The income, expenses, net gains and losses attributable to the Charity's financial instruments are summarised as follows:

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Income and expenses				
Financial assets measured at fair value through net income/expenditure	<u>96,305</u>	<u>96,305</u>	<u>126,894</u>	<u>126,894</u>
Net gains and losses (including changes in fair value)				
Financial assets measured at fair value through net income/expenditure	<u>1,002,408</u>	<u>1,002,408</u>	<u>(639,162)</u>	<u>(639,162)</u>

Notes to the financial statements (continued)

22	Comparative statement of financial activities	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2020 £
	Income and endowments				
	Donations and legacies	1,199,360	-	269,596	1,468,956
	Income from other trading activities	1,412,351	-	-	1,412,351
	Other income	1,800	-	-	1,800
	Income from investments	126,894	-	-	126,894
	Total income and endowments	2,740,405	-	269,596	3,010,001
	Expenditure				
	Costs of raising funds:				
	Fundraising	475,352	-	-	475,352
	Trading	769,528	-	-	796,528
	Expenditure on charitable activities	859,242	-	126,325	985,567
	Total expenditure	2,131,122	-	126,325	2,257,447
	Net income/(expenditure) before gains and losses on investments	609,283	-	143,271	752,554
	Net gains/(losses) on investments assets	(639,162)	-	-	(639,162)
	Net income/(expenditure)	(29,879)	-	143,271	113,392
	Transfers between funds	286,479	(286,479)	-	-
	Net movement in funds	256,600	(286,479)	143,271	113,392
	Reconciliation of funds				
	Total funds brought forward	2,309,343	2,426,696	4,000	4,740,039
	Total funds carried forward	2,565,943	2,140,217	147,271	4,853,431

23 Post Balance Sheet Events

Information relating to the ongoing impact of Covid-19 on the organisation is set out on pages 7–14 and pages 18–19 of the Trustees Report.

The Charity is pursuing a claim under business interruption insurance due to the closure of our shops in 2020/21.