

REPORT AND FINANCIAL STATEMENTS

Year ended 30th September 2021

THE HOSPICE CHARITY PARTNERSHIP

Birmingham St Mary's Hospice & John Taylor Hospice

Charity number: 1156964

Company number: 08991245

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EXECUTIVE SUMMARY

The Trustees present their report and the audited financial statements of The Hospice Charity Partnership (HCP) for the year ended 30th September 2021.

During 2020/21, the charity continued its partnership working with Birmingham St Mary's Hospice based in the south of Birmingham with a shared Chairman and Executive Team. This progressed through to a full merger on 1st August 2021. John Taylor Hospice was then renamed as The Hospice Charity Partnership. All assets and liabilities of St Mary's Hospice Limited (company number 01161308, charity number 503456) and St Mary's Hospice (Trading) Limited (company number 02696641) were transferred over to John Taylor Hospice.

This has been a unique and transitional year for the charity during which a merger and preparatory restructures took place. Although the charity ended the 2020/21 financial year with a surplus of £9.7m, this included a £9.2m donation of assets from the merger with Birmingham St Mary's and £743,000 of additional COVID-19 pandemic financial support from Birmingham and Solihull CCG, Hospice UK, local council retail grants and HMRC Coronavirus Job Retention Scheme.

The charity is currently holding unrestricted reserves above the £9.9m target (equivalent to eight months' operational cover) due to the unknown future impact of the COVID-19 pandemic on development and strategic plans. A review of the current facilities and estates provision is taking place which will also require major capital refurbishment at some point in the next few years.

OBJECTIVES AND ACTIVITIES

The charity exists for the public benefit; specifically the advancement of health, care and support for people living with a palliative or end of life diagnosis, and provides specialist palliative and supportive care in Birmingham and the surrounding areas.

A wide range of services are provided free at the point of use. Care can be delivered in people's own homes or the hospice itself, seven days a week up to 24 hours a day. The majority of referrals to services are made by NHS practitioners in hospital nursing and community settings, and housing and social care professionals in residential and community settings. Members of the public can also refer themselves directly for hospice services.

OUR VISION: A future where everyone with a life-limiting illness will live and die with dignity and in comfort.

OUR MISSION: We will enable more people from all communities to access care of their choice at the end of life.

The vision and mission recognise the need to provide inclusive services that reflect the needs of the diverse and changing communities across Birmingham. The long-term strategic goals are set to have a positive impact on the community we serve.

OUR VALUES: Following the merger of both hospices, people working across both sites have been involved in defining the new values. These values will be launched in March 2022 and will underpin and shape the organisation's culture going forward. They are not corporately-defined values; they are shaped by the people working within The Hospice Charity Partnership. Each value will be realised by all staff championing the behaviours they have outlined, therefore shaping the culture that people want to hear, see and feel going forward. This is critical to effective working and delivery of the strategy and the business priorities.

Our Hospice Strategy (2022- 2027): Future hospice care shaped by our communities

1. We will extend our reach to deliver personalised palliative and end of life care when and where it's needed.
2. We will develop evidence to inform how future services can reduce inequality of access to palliative and end of life care.
3. We will increase our work alongside communities and with our partners to shape palliative and end of life care services in the future.
4. We will grow our people and resources sustainably, using our assets efficiently to ensure expert palliative and end of life care is made available to more people.

BUSINESS PRIORITIES

The implementation of the organisation's strategy over the next five years will be built on the following core principles:

BUILD: Building the foundations of the new organisation ensuring our infrastructure, systems integration and workforce are stable, adaptable and fit for the future. This will be the focus in the first 18 months of the strategy over 2022 and 2023. This approach will also allow post-merger integration to be completed, will give time for people to settle into the new organisation and allow recovery from the latest phase of COVID.

GROW: We will need to grow our collective understanding of the needs of Birmingham's diverse communities, and increase the numbers of hospice supporters and grow sustainable voluntary income.

By talking to communities, this will grow our understanding of the services people want and need in the future, and we can then invest in future services effectively. This will require investment in community engagement and targeted research.

While we know the current approach meets the needs of many people, there are groups within our communities that do not access the current specialist palliative and end of life offering. We will work with the wider health system to understand why, to inform our future practice.

We will also have a significant focus on new supporter acquisition during 2023 to 2025 - this will help build sustainable voluntary income growth. This will be supported by the launch of a significant capital appeal in 2023.

MAINTAINING AND GROWING STATUTORY INCOME: Following the merger, significant focus has been given to maintaining the current level of funding from the NHS which is critical to delivery of essential services. The Hospice Charity Partnership continues to make a significant contribution in the response to COVID, working closely with partners across the local health system. There is acceptance that demand for specialist hospice care will continue to increase, therefore working in partnership with the NHS and securing sustainable income is essential if we are to meet that demand.

GROWING AND MAINTAINING VOLUNTARY INCOME: Voluntary income is essential to delivery of holistic services that the charity provides and this includes bereavement support, day hospice services, family support and complementary therapy. The hospice buildings and environment could not be maintained without public support and philanthropy. COVID restrictions have significantly impacted on income and while the future of fundraising income remains unclear, the local community has continued to support in many ways. People do want to support their local hospice and there is a continued appetite to get involved. People's ability to do this in traditional ways, such as attending fundraisers or taking part in participation events, has reduced but not stopped. The charity will be looking to bring back popular events and create new ones.

Retail suffered during the height of COVID restrictions, but since reopening the shops have gone from strength to strength. As a result the charity will be looking to increase its income and profit through its retail portfolio.

As part of the build programme the charity is reviewing the post-merger brand and will be developing a new website, as the two websites currently in operation are not fit for the future. These two areas of work will be critical to providing high standards of supporter care and providing a point of contact for either access to services, or to find out more about what the charity provides.

REACH: Reaching and supporting more people who require specialist end of life and palliative care services is the charity's ultimate goal. Delivery of the current community and inpatient services will be maintained efficiently and to the highest standard. Any increase in investment in the current model of care is likely to come from statutory funding. Future services will need to be adapted to meet the needs of the wider community and may not reflect the traditional model and approach. Therefore the charity aims to implement any new services from 2025, and will spend the following two years implementing new services and evaluating their impact. If funds allow, this work will start sooner.

HOSPICE FACILITIES AND ENVIRONMENT: The COVID-19 pandemic has highlighted and expedited the need for both hospice sites to have single beds with ensuite facilities. Moving towards single rooms only will help increase capacity, improve dignity and privacy, and create a relaxing, personalised space for patients and families. Both sites require significant refurbishment and an appeal will be launched to raise funds for the refurbishment in 2023. This will have the added benefit of increasing awareness of the charity and services it provides to the community.

PUBLIC BENEFIT

As part of the merger process, the Trustees reviewed the objects of the charity and agreed revised objects as set out in the Articles of Association.

The charity's objects are specifically restricted to promote the relief of illness or suffering by:

- 5.1 The expert care and support of people with palliative and end of life needs;
- 5.2 The provision of services to promote health and wellbeing for patients and carers;
- 5.3 The care and support of family and friends who have been bereaved;
- 5.4 The advancement of education and healthcare practice to raise awareness of potentially life-limiting illness; and
- 5.5 The advancement of high-quality palliative and end of life care through the community.

The charity's services benefit a specific section of the public (adults and their families and carers within Birmingham and the surrounding counties, affected by progressive life-limiting illness) but there are no other restrictions on access to its services. The Hospice Charity Partnership works with adults across the spectrum of illness that foreshortens life and has a number of programmes to look at the prevention of illness itself.

The Trustees believe the charity provides a public benefit through the work of The Hospice Charity Partnership, which offers palliative and end of life care to adult residents within its catchment area, and who are suffering from a terminal illness. All services provided by the charity are free of charge to patients and their carers or families, funded both by the tax payer and directly by the public. The charity delivers services on behalf of various NHS Clinical Commissioning Groups (CCGs), and also works with other organisations, regulators,

fundors and community groups in its capacity as a charitable organisation.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objects, and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

ACHIEVEMENTS AND PERFORMANCE

The Hospice Charity Partnership provides services for people living with life-limiting illnesses and their families, loved ones and carers across the diverse population of Birmingham, Solihull and Sandwell constituencies.

Care and support is offered at home and within the community, as well as through inpatient and day services at both hospice sites. With a welcoming and inclusive approach, support is there from the moment of diagnosis to the very end of life and beyond; offering bereavement support for loved ones of all ages for as long as they need it after someone dies.

TEACHING AND RESEARCH: As a teaching and research charity, expertise is used to train other healthcare professionals in palliative and end of life care, and to improve and develop care services for the future.

RESPONSE TO COVID-19: Despite the challenges of the COVID-19 pandemic, over the past year progress has been made against the strategic priorities in the charity's strategy, alongside responding to the pandemic itself.

Demand for end of life services increased due to the COVID-19 pandemic, and the charity worked closely with the NHS and other providers to support a coordinated response. The charity continued to provide a full range of services for patients and their families during this time.

Joining forces with other local hospices, the Hospices of Birmingham and Solihull (HoBS) service was established and enables more people to get the care they need as quickly as possible. This approach was so successful that it will continue going forward. When the second wave of COVID peaked in the early part of 2021, the charity provided additional Intensive Therapy Unit (ITU) staffing to the local acute hospital. Staff at The Hospice Charity Partnership have shown incredible resilience through a challenging period in the organisation's history and this is testament to them all.

PERSONAL HEALTH BUDGETS (PHBs): The charity worked on a pilot programme with its main CCG funder regarding the use of Personal Health Budgets for end of life care. This was part of NHS England's plans for 50,000-100,000 people to have a Personal Health Budget by 2020. The pilot evaluated well in February 2019, but was deemed to be too small a population size as it was based on a sample of 24 patients. A further pilot to gather data from 100 patients was therefore completed, and Personal Health Budgets is now considered part

of normal business by the CCG - although a clear ongoing funding source requires clarification from the CCG.

EQUALITY, DIVERSITY AND INCLUSION: Equality, diversity and inclusion action plans were in place at both hospice sites prior to the merger. The focus for 2022 will be a combined plan that will deliver the charity's priorities within the People Strategy, and work towards accreditation via the National Centre for Diversity. A new Equality, Diversity and Inclusion (ED&I) Group was launched in January 2022. There will be a year-long programme of assessment which highlights areas of success and areas for development in relation to equality and diversity. In addition there are plans to create two roles dedicated to focusing on, and taking forward, internal and external equality, diversity and inclusion plans.

INCREASING INCOME: Other areas of the strategy ensure the needs of all patients can continue to be met by increasing income from fundraising activities and development of the retail venture.

Despite the continuing impact of COVID on the charity's ability to raise funds through many of the traditional channels, income has remained static. The charity's event and community campaigns calendar continues to develop, and saw huge success with the 2021 Raise the Roof Campaign which raised £250,000 to fund the urgent roof repairs required at the Selly Park hospice site. Corporate support was severally impacted by COVID restrictions with office-based fundraising and Charity of the Year opportunities limited. However, grants and trust income was strong and the charity benefitted from continued support from many generous trust funders. The retail chain performed well once all shops were able to reopen. Strong performance continued up until year end. There have been no shop closures and the organisation continues to research opportunities in the local area for new shop premises, and to grow online retail presence.

The achievements in the year have been focussed on:

- Continued partnership working with the NHS and other organisations
- Meeting and exceeding all external regulation and enhancing internal governance processes
- Providing care where people wish to have it and of the highest quality
- Retaining a strong and committed staff and volunteer base
- Retaining a strong financial position
- Providing an open and honest culture
- Developing Freedom to Speak up Champions
- Growing into new areas like prevention, dementia care and the scope of work in long-term conditions and accredited complementary therapies
- Continuation of piloting the use of Personal Health Budgets in end of life care
- Reducing taboos surrounding death and dying

PATIENT SAFETY: The charity considers patient safety and quality to be the highest priority. A significant amount of work has already been undertaken to align systems and practices across both sites. This will continue with the purchase and implementation of a new incident and risk system that offers superior system benefits and will assist with alignment across both sites and all services. In addition the development of key performance indicators for each area is underway.

The Board has a subcommittee for clinical quality known as the Quality Governance Committee (QGC) and this has four working groups: the Clinical Governance Committee (CGC), Patient Safety Group, Mortality Meeting and Medicines Safety Group. The Health and Safety Committee reports to the Finance, Performance and Estates Committee. QGC reports to the Board to give assurance on clinical risk and quality and clinical safety measures include safe staffing levels, complaints and compliments.

Corporate safety measures include housekeeping cleanliness audits and staff training records. In addition, robust systems are in place for reviewing and implementing relevant National Institute for Health and Care Excellence (NICE) guidance and addressing Clinical Assessment Service (CAS) alerts.

CARE QUALITY COMMISSION (CQC): The last Care Quality Commission (CQC) regulation assessment of the charity was carried out on 25th May 2016. The CQC report was issued on 9th August 2016. The overall rating for the service was 'Good'. The CQC inspection provided a further rating for each of the five domains or questions that they assessed and the organisation was rated 'Good' in every category. The charity is currently awaiting a routine inspection of its services since the transfer of the regulation of hospices to healthcare, however this has been delayed due to the COVID-19 pandemic. During this time however the charity is subject to regular risk-based virtual assessments on quality from CQC colleagues.

ENSURING HIGH-QUALITY CARE: The charity ensures the highest quality of care and evidences this in various ways such as patient-led audits, the annual Quality Account, patient feedback and CQC inspection. The results of audits and evaluations are fed back appropriately to those delivering, receiving and commissioning the services and to the Board. Audit and evaluation is continuous in all departments and results indicate that patients, carers and NHS partners are satisfied with the support they receive. The public can review the results of external inspections online. Patient satisfaction surveys to hear patients' views about care and the company are carried out in order to make continuous improvements.

The organisation is committed to involvement in, and the development of research, and has a part-time Research Nurse for one day a week to work alongside clinical teams and increase research activity.

Benchmarking with other hospices enables the organisation to identify areas for further development or provides assurance that The Hospice Charity Partnership continues to function well.

WORKING PARTNERSHIPS

As an independent business, one of the charity's key priorities has been to continue to work collaboratively with NHS funders as well as other health providers, and with non-health organisations to ensure the continuation of high-quality end of life services.

During the year 1st October 2020 to 30th September 2021, the charity cared for 1,738 patients (Erdington site) and 774 (Selly Park site [August/September]), as well as providing support for these patients' families. That care was provided by the charity's Inpatient Units, its day hospices and in the community. The organisation also provided wellbeing support to both patients and family members.

The charity has a number of close working relationships in the local community including Birmingham and Solihull Clinical Commissioning Group (CCG), and Sandwell and West Birmingham Hospitals, with whom it has NHS contracts.

In addition, close working arrangements are in place with local primary care in north, east and west Birmingham including general practice, Birmingham Community Healthcare Foundation Trust, University Hospitals Birmingham Foundation Trust, Birmingham City Council and a number of local hospices including St Giles Hospice and Marie Curie Hospice Solihull. In these forums, The Hospice Charity Partnership works closely with colleagues in the acute health sector and other hospices to develop end of life care across the city and prevent unnecessary hospital admissions for this group of patients. The charity also takes referrals, where appropriate, from outside the catchment area on a cost-per-case basis.

HOSPICES OF BIRMINGHAM AND SOLIHULL (HoBS)

During the first weeks of the pandemic in March 2020 a joint initiative between Birmingham St Mary's Hospice, John Taylor Hospice and Marie Curie Hospice West Midlands was created. This was designed to improve access to palliative care for all patients across Birmingham and Solihull, with direct links to district nursing services, West Midlands Ambulance Service and St Giles Hospice.

The new service - named Hospices of Birmingham and Solihull (HoBS) - provided 24/7 access to specialist palliative care advice and joint bed management across the hospices. It improved access and provided a rapid response service to manage crises in the community in order to prevent hospital admissions and improved patient's abilities to meet their preferred place of care and death. This service was possible due to the redirection of existing resources but is not sustainable long term without additional external funding. A joint business case on behalf of the partnership was submitted in 21/22 and agreement was given to fund the services from 8am until 8pm. Further data and analysis is being carried out across the health system to test the case for a 24/7 service.

NHS SUSTAINABILITY AND TRANSFORMATION PARTNERSHIP (STP)

The charity continues to be part of the ongoing work around the Birmingham and Solihull NHS Sustainability and Transformation Partnership (STP) which seeks to close gaps in

health inequality, ensure every citizen gets the same service and quality of care, and ensure funding going forward to meet demand. For example, in Birmingham there remains a nine-year gap in life expectancy between the most affluent and the most deprived populations. The Birmingham and Solihull STP is split into a number of work streams with end of life care sitting in the Ageing Well work stream.

Black Country and West Birmingham CCG continues to commission an overarching contract for end of life care from Sandwell and West Birmingham Hospitals, and The Hospice Charity Partnership remains a sub-contractor of this Connected Palliative Care contract. The contract supports a hub for end of life care co-ordination, for patients and their families, as well as health professionals. Focussing on the populations of Sandwell and West Birmingham, the centre aims to bring together care providers to offer seamless end of life support.

THE HOSPICE CHARITY PARTNERSHIP TRUSTEES' AND STRATEGIC REPORT FOR THE YEAR ENDED 30th SEPTEMBER 2021

ACTIVITY 2020-2021

The charity has seen consistency in relation to its clinical activity during the year, with the following activity through its services shown below:

ERDINGTON SITE

	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Actual	
Available Bed Days	434	420	434	434	392	434	420	434	420	434	434	420	5110	Bed Days
Bed Days Occupied	271	230	310	310	342	301	305	288	305	308	299	296	3565	
Admissions	21	19	10	21	22	22	21	22	18	16	19	7	218	
Average Length Of Stay	8	9	16	9	10	8	10	9	13	12	11	16	11	
Discharges	10	15	5	15	12	10	9	6	5	7	2	8	104	
Deaths	11	4	5	6	10	12	11	11	9	12	9	5	105	
	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Actual	
Total Referrals	1	0	0	1	2	4	5	3	4	4	5	9	38	Living Well Centre
Attendances	118	63	22	15	8	14	90	75	80	61	60	50	656	
	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Actual	
Total Referrals	36	24	19	26	29	39	36	26	46	21	25	35	362	Wellbeing
Attendances	128	198	157	214	165	252	257	159	234	196	128	102	2190	
	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Actual	
Total Referrals	28	20	20	20	21	20	14	18	14	19	16	22	232	Hospice @ Home
Attendances	587	542	363	460	533	536	496	523	468	459	260	619	5846	
	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Actual	
Total Referrals	94	95	98	104	110	114	101	93	93	67	86	89	1144	Community
Attendances	2154	2268	2253	1934	2008	2218	2046	1935	1815	1726	1733	1811	23901	
	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Actual	
Total Referrals	115	68	87	94	79	98	96	90	95	70	96	83	1071	Therapies
Attendances	578	506	650	463	386	412	512	387	377	386	386	509	5552	
Total number of patients seen by John Taylor Hospice from October 2020 to September 2021								1738						

SELLY PARK SITE

	Aug & Sept 21	
Available Bed Days	854	Bed Days
Bed Days Occupied	794	
Admissions	53	
Average Length Of Stay	15	
Disharges	19	
Deaths	34	
Total Referrals	42	Living Well Centre
Attendances	110	
Total Referrals	190	Wellbeing
Attendances	125	
Total Referrals	66	Hospice @ Home
Attendances	263	
Total Referrals	134	Community
Attendances	1108	
Total Referrals	77	Therapies
Attendances	165	

DAY SERVICES AND COMMUNITY

The COVID-19 pandemic has obviously impacted on the charity's clinical services. The day hospice facilities at both hospice sites had to cease face-to-face contacts until September, but has now developed virtual methods of providing the service to patients as well as doorstep visits and support via telephone. These will restart should any further closures be required due to COVID.

The community services continue to run 8am– 8.30pm seven days a week. Unfortunately a business case for 24/7 working was not supported by the CCG, although they continue to work closely with the charity to develop that case further, and the aim remains to provide a 24/7 response service across BSOL for end of life patients.

STAFFING AND VOLUNTEERS

The Hospice Charity Partnership currently employs 365 staff with 381 volunteers.

During the financial year 2020/21, 381 volunteers made regular commitments to support The Hospice Charity Partnership. These roles included day hospice hosts, drivers, photography, fundraising, gardening and finance support.

REVALIDATION FOR MEDICAL STAFF

Revalidation for medical staff is the process by which licensed doctors are required to demonstrate on a regular basis that they are fit to practice and having their licence renewed. The organisation has the appropriate procedures in place to ensure this is done via a nominated Responsible Officer who oversees the process and links in with the General Medical Council (GMC). The charity's arrangements are via a contract with the University Hospitals of Birmingham who supply this service. No issues have arisen in the year.

Nurse revalidation also came into effect from April 2016 to build on existing renewal requirements by introducing new elements which encourage staff to reflect on their code of practice and demonstrate that they are 'living' by the standards set out within it. This process was supported by revalidation presentations, Royal College of Nursing (RCN) formal revalidation training, annual appraisals, weekly reflective discussion pertinent to clinical practice and a training co-ordinator who records all individual training accomplishments.

INTERNAL COMMUNICATION AND ENGAGEMENT

People across the organisation are engaged by various methods including regular CEO updates, monthly interactive Team Talk presentations and frequent team meetings. Restrictions as a result of COVID have hindered the ability to do the level of face-to-face engagement the charity would have hoped for. As restrictions continue to ease, the organisation has taken the opportunity to reinstate face-to-face sessions as much as

possible. There is also a newly-formed Operational Management Team (OMT) comprised of the Executive Management Team and their department leads that meet monthly face to face. All people have also been engaged in helping to formulate the new combined charity values. The organisation has also recruited into a post dedicated to internal communications and staff engagement.

The approach to a full annual engagement survey is currently being reviewed, with plans to run later in 2022. In the interim, the charity has introduced a quarterly, short Pulse Survey to ensure engagement is monitored post-merger and that actions are delivered as timely as possible.

PROVIDING A BETTER EXPERIENCE AT END OF LIFE

As demand for services continues to grow, The Hospice Charity Partnership continues to deliver the highest quality care. Feedback from patients and carers has remained consistently positive throughout the year.

95% of patients/carers said they were likely or extremely likely to recommend the charity to friends and family if they needed similar care.

With figures for Birmingham showing that 55% of deaths occur in hospital, when it is known that people would prefer to die at home, the charity has striven towards providing more people with more choice as they approach the end of life. Only 9% of patients cared for by the charity in 2020/21 died in hospital, with the majority (66%) dying in their usual place of residence and the remainder in the hospice or elsewhere.

During 2020/21, 94% of patients supported by the charity were able to die in the place of their choosing.

The Hospice Charity Partnership has continued to help people live well with their condition through self-help programmes and extending reach to engage more patients with a non-cancer diagnosis.

Teams across the organisation have worked hard to continue to offer a rapid response service 8am–8.30pm seven days a week - and this continues to reduce admission to hospital and provide invaluable support to West Midlands Ambulance Service. There is a dedicated phone line for support for other healthcare professionals and both sites are able to accept admissions to the wards 24/7 if necessary.

EXPANDING AS A SPECIALIST CENTRE OF RESEARCH AND LEARNING

Over the past year, the charity has continued its commitment to leading and participating in research, and establishing new evidence about the approaches that work best for patients.

Staff involved in this area of work are very grateful to patients for generously giving their time to research. All projects add value to the care the charity is able to provide, and improve quality of life for patients with life-limiting illness.

In the early part of 2020, the organisation was involved in recruiting into several national portfolio studies including *ProSec 3: 'A multi-centre evaluation of excessive saliva management in patients with motor neurone disease'*.

Although many national research studies were paused or delayed thereafter, and one Research Nurse was redeployed into clinical practice as a result of the COVID-19 pandemic, the charity continued to support research activities such as:

- Supervising physiotherapy undergraduates undertaking dissertation projects
- Supporting MSc dissertation projects being undertaken by hospice clinical staff
- Facilitating recruitment for PhD research studies focused on palliative and end of life care

Despite clinical pressures, the charity did well to support recruitment into a study exploring the impact of COVID-19 on hospices (*ICOH, John MacArtney et al*).

A poster and oral presentations were accepted for the Palliative Care Congress which took place in March 2021, and the Homelessness Support Team presented their innovative work on the main conference stage.

During the year, the Birmingham St Mary's Hospice Research Strategy was refreshed, and in October 2020 the Board of Trustees approved a new set of priorities for 2020-2023. These were used to inform the development a new Hospice Charity Partnership clinical strategy, during post-merger integration, from August 2021.

As a teaching charity, the organisation provides education programmes to health and social care professionals in the wide network of care providers with whom we work closely. This includes GPs and District Nurses, prison services, care homes, hospitals, community and mental health services.

Whilst the restrictions in place through 2020/21 meant face-to-face delivery of programmes ceased, the charity responded by rapidly escalating its digital provision.

To support the system-wide response to COVID-19, The Hospice Charity Partnership was commissioned by Birmingham and Solihull Clinical Commissioning Group (CCG) to provide a series of webinars on topics related to palliative and end of life care. These proved very successful, with significantly elevated numbers of professionals accessing available educational support. The CCG have recommissioned this programme into 2021-2022. The charity is also now commissioned to deliver specialist palliative care, bereavement and SAGE and THYME ® communication training by various other system partners across Birmingham and the Black Country.

The charity remains a regional centre for the European Certificate in Essential Palliative Care (distance learning). Online examination days have proved successful and have potentially increased scope for the number of candidates that can be supported.

A medical undergraduate training programme in Palliative Medicine has been developed in conjunction with Aston University Medical School for their first cohort of fourth year students starting in the academic year 2021-22. This will be delivered by The Hospice Charity Partnership, together with Marie Curie Hospice West Midlands and the Supportive and Palliative Care team at University Hospitals of Birmingham NHS Foundation Trust. This is in addition to the long-standing programme of fourth year education delivered to University of Birmingham students, alongside other midlands-based palliative care colleagues.

BEING AN EMPLOYER AND VOLUNTEERING CENTRE OF CHOICE

In the past year, the charity has introduced a number of new schemes and programmes to improve working conditions and support the wellbeing of employees and volunteers.

Last year 365 staff were employed by the charity, while 381 volunteers donated their time to support the organisation's work.

Last year both hospice's HR and payroll systems were reviewed, and a decision was made to move forward with the Connect system (formerly the Birmingham St Mary's Hospice system). There has been a project team in place since September to migrate all of employees onto Connect, with a go-live date planned for February 2022. Functionality in Connect will continue to be developed over the year to streamline processes and reduce administration through automation of workflows. The recruitment and onboarding module has also been developed and tested on the system, to reduce paperwork and enhance the applicant experience.

Reporting of people data over the year has been difficult due to not having one set of data in one format, however the charity has continued to produce People Dashboards and provide key data to operational teams. A charity-wide suite of people-related reports will be developed in March 2022.

The physical and emotional burden on key workers has been significant throughout 2020/21. To help support the needs of all staff during a challenging year, an enhanced Employee Assistance Programme was introduced. Clinical supervision was reviewed and reconfigured to benefit more of the workforce. During Mental Health Awareness Week virtual Tea & Talk sessions were hosted as a way of encouraging social contact for those working from home. Throughout the year awareness was raised of the charity's network of Mental Health First Aiders, and staff were signposted for emotional support provision available through the Birmingham Hospitals Saturday Fund.

A focus has remained on filling charity vacancies and two successful weekend recruitment events were held – resulting in 14 job offers. Plans are in place to run further recruitment events in 2022, alongside launching other attraction methods such as LinkedIn recruitment.

Pay scales have been reviewed with new Hospice Charity Partnership scales introduced – matching the clinical scale with Agenda for Change 2020-21.

The charity has continued to promote and encourage younger people to work for the organisation through apprenticeships, placements and the government Kickstart Scheme.

Commitment to education and professional development has continued, with regular support for both nursing and medical students, as well as for pre-registration nurses. To support management development, the first cohort of managers completed a coaching course.

OUR SERVICES

The charity has a wide range of services including integrated health and social care at home, day care provision, pharmacy, occupational therapy, physiotherapy, outpatient clinics, hospice at home services, education, complementary therapy, carer support, psychological therapy and two Inpatient Units (one at the Erdington site and one at the Selly Park site) which operate 365 days per year.

INPATIENT CARE

The Inpatient Units at each hospice site provide specialist palliative care, including symptom control, end of life care and advice and support from a team of doctors, nurses and therapists. At both sites families can stay with their loved ones in a calm and comfortable environment. Referrals are taken from healthcare professionals and prioritised according to clinical need.

Holistic care is planned to address the physical, psychological, social and spiritual needs of the patients, with respect for culture, religious and personal values. Personal choice is central to the ethos of care, and decisions are made by the individual, in collaboration with the team. Care is delivered without judgement, and teams respect and uphold every individual's right to privacy and dignity.

The Selly Park site comprises 15 beds including 13 specialist beds and two 'home from home' beds. The Erdington site comprises 16 beds including 14 specialist beds and two 'home from home' beds. The need to keep patients isolated in order to provide as much protection as possible from COVID has reduced bed capacity on both sites to 12 single occupancy areas. The complexity of patients has increased and the delays in accessing treatment within the NHS due to the pressures of COVID have led to some distressing cases being admitted every month. Extra support has been available for staff.

Patients and visitors have access to the garden on both sites and at the Selly Park site, a larger main conservatory has been specially redesigned for those patients in the charity's care who have dementia. Signage has been improved to create a comforting and familiar environment to reduce anxiety and to improve social interaction. Visiting hours are generally open, but restrictions have been introduced for infection control reasons during the COVID-19 pandemic.

In 2020/21 there were 271 admissions to the Inpatient Units, including patients who may have been admitted more than once. Although admissions were on a par with last year, bed occupancy rate for specialist beds was 73% - lower than previous years as turnover was higher due to the COVID-19 pandemic and due to patients being referred later in their diagnosis.

INTEGRATED COMMUNITY PALLIATIVE CARE

The Integrated Community Palliative Care Team consists of Clinical Nurse Specialists, Hospice at Home, satellite clinics and Day Hospice. The team supports individuals and families at home - including in care homes, prisons and hostels - and elsewhere in the community. They provide advice and guidance on symptom management and advance care planning, as well as responding to other spiritual, psychosocial and care needs.

CLINICAL NURSE SPECIALISTS

The team has adopted new ways of working during the COVID-19 pandemic, including collaborating with other hospices under the umbrella of HoBS. These are now part of the normal business of the charity. .

Outside of office hours, patients known to hospice teams can access telephone advice from a team of specialist nurses. Round-the-clock specialist medical advice and telephone support is available for any healthcare professional caring for individuals with palliative care needs within the charity's area.

The team made a total of 23,901 contacts with patients during 2020/21.

A total of 1,278 community referrals were received.

HOSPICE AT HOME

The Hospice at Home Team provide nursing care and psychological support for patients who have expressed wishes to die at home and require additional support to achieve this. Care is delivered by Registered Nurses and Healthcare Assistants in the patient's own home.

The Hospice at Home Team work closely with Clinical Nurse Specialists, supporting patients and families with telephone contact and responding to urgent need. They also offer 'bridging care' after discharge from hospice or hospital for people with palliative care needs who are awaiting a package of social care to be put in place.

A total of 298 Hospice at Home referrals were received.

DAY SERVICES

With restrictions on footfall within the hospice buildings, restrictions on travel and redeployment of staff, Day Services were suspended for a significant part of this year.

The future plan is to offer a hybrid model of delivery, where patients have a choice to access face-to-face care or engage virtually.

THERAPEUTIC CARE

The charity offers physiotherapy, occupational therapy and complementary therapies to people on the wards in the hospices, in Day Hospices and within the local community, to support emotional and physical wellbeing and promote independence.

WELLBEING TEAM

The Wellbeing Team consists of social workers and spiritual care workers, and provides practical advice and specialist counselling, spiritual and psychosocial support for patients, carers and family members, including children.

The Spiritual Care Service has seen changes this year with the recruitment of a new Spiritual Care Coordinator, who will lead a team of volunteers in supporting people of all faiths and none.

SUPPORT AT HOME

The aim of Support at Home is to reduce the growing number of people who face social isolation when dealing with a life-limiting illness. Led and delivered by volunteers, Support at Home offers befriending, sitting and signposting for patients with life-limiting illnesses who require non-clinical services and who have expressed a wish to die at home.

Despite the inability to provide face-to-face care because of the COVID-19 pandemic, Support at Home volunteers have remained committed to engaging with patients and families by telephone. For some individuals who were facing the isolation of lockdown, this was invaluable.

BEREAVEMENT SUPPORT SERVICES

The Bereavement Support Service offers a range of information, facilitated support groups, one-to-one bereavement support and counselling, and is delivered by professional counsellors as well as highly-skilled volunteers trained in supporting people in grief.

In response to the COVID-19 pandemic, one-to-one support was suspended with all other support being offered by telephone.

The charity's specialist Child Bereavement Service, funded by Children in Need, supports children and young people dealing with the loss of a loved one. A pre-bereavement family memory-making programme developed by the team has been very successful.

EDUCATION

As a teaching charity, the organisation delivers education in palliative and end of life care to students and professionals from different sectors, as well as offering a broad range of accredited training courses. Trainee doctors and nurses form part of the charity's clinical teams.

Through 2020/21, despite the COVID-19 pandemic restrictions, education delivery continued with similar income compared to previous years. The introduction of collaborative working across local hospices, commissioning and a mixed delivery method approach has increased reach.

The collaboration with Birmingham Community Healthcare NHS Trust continues, with delivery of training to community staff across Birmingham and Solihull. Following a tender process, The Hospice Charity Partnership Education Department also became the preferred provider of end of life and palliative care education to the Black Country and West Birmingham STP, where a virtual training programme is now delivered.

RESEARCH

Research is a vital part of The Hospice Charity Partnership's work. The charity works with researchers at universities and in other healthcare settings and is actively involved in recruiting patients, carers, staff and volunteers for new research projects. The organisation's research continually improves the care and support provided and helps advance palliative and end of life care for the future. The charity's achievements in 2020/21 are described on pages 7-8.

COMMUNITY DEVELOPMENT AND PARTNERSHIPS

Last year, the charity worked with partners across the STP (Sustainability and Transformation Partnership) on a proposal to achieve Compassionate City Status in Birmingham. The organisation's first Compassionate Communities Programme was launched with the Selly Oak Neighbourhood Network in Partnership with Birmingham Voluntary Service Council.

The Homelessness Support Service launched in September 2020 and has seen and supported direct referrals as well as supporting the development of a palliative care meeting with the Homelessness Primary Care Team. This approach has now being integrated into the core service.

THE YEAR AHEAD

2022/23 will be a period of adjustment for The Hospice Charity Partnership post-merger as highlighted in the Build phase of the strategic overview.

During the pandemic, the charity continues to respond to the COVID-19 challenge and working closely with other providers. This approach will serve all partners well in the move to establishing Integrated Care Systems.

The organisation will continue to meet the needs of the health system, and the 2022/23 business priorities are to:

- Launch the new organisational strategy
- Develop an outline business case for refurbishing the Birmingham St Mary's and John Taylor Hospice sites
- Implement new finance, HR & IT systems across both the organisation
- Develop three-year plan in line with the organisational plans for community engagement, research, practice development and clinical
- Develop of long-term people strategy and plan, to include equality, diversity and inclusion and staff wellbeing

VOLUNTEERS

As a volunteer-supported organisation, volunteers are at the heart of the charity's operation. This includes Trustees who support the governance and leadership the charity. Care and support could not be delivered free of charge without the generous donation of time from over 381 individuals. The Hospice Charity Partnership is also fortunate to have Patrons who champion the work of the charity and hospice teams would like to thank them for their ongoing support.

People volunteer for many reasons and the benefits are wide-ranging; from the feeling of making a difference to people with life-limiting illness, to joining a team and making new friends, or learning new skills and gaining valuable career experience. Volunteers are supported and involved in inductions, briefings and special thank you events each summer.

Due to the COVID-19 pandemic and restrictions, collection volunteers were unable to carry out their normal bag pack and bucket collection roles.

The organisation has six fundraising groups: the Harborne Group, UoB Group, Kings Norton Group, the Hospice Choir, the Edgbaston Ladies Committee and the Craft Fundraising Group. Unfortunately due to restrictions associated with COVID-19 they were unable to undertake any fundraising activity during this financial year.

The ability to raise funds through collection tins has also been impacted by the pandemic, however collection box coordinators have raised £1,632 from collection tins across various locations in Birmingham and Sandwell.

Continued support was received from nine Hospice Ambassadors who give up their time to support corporate fundraising activities and raise awareness of the charity within the community.

215 retail volunteers have given 29,450 hours of their time supporting the charity's chain of 20 shops.

APPROACH TO FUNDRAISING

As a charity that relies on voluntary income, The Hospice Charity Partnership takes an active and responsible approach to fundraising. A high-quality supporter experience is key and as a member of the Fundraising Regulator, the charity is firmly committed to ensuring compliance with their Code of Practice.

The charity endeavours to operate in a transparent and open manner as well as to protect members of the community and supporters who may be vulnerable. To support this, the following fundraising policies are in place and regularly reviewed:

- Protection of Vulnerable People while Fundraising
- Acceptance and Refusal of Donations
- Fundraising Complaints
- Handling of Donations
- Working with Third Parties and Corporate Partnerships

All fundraising activity is carefully planned using set templates to ascertain campaign feasibility, plan income and expenditure budgets, logistics, and health and safety requirements.

All supporter data stored on Donorflex (the charity's fundraising database) and is governed by strict consent, unsubscribe and complaints processes in line with UK GDPR legislation. Oversight of these processes is carried out by an internal committee of staff, ensuring it is kept up to date with new legislation and action is taken appropriately following supporter feedback.

The organisation has a dedicated Supporter Experience and Finance Processing Manager whose role, led by the Head of Fundraising Partnerships and Supporter Experience, is to ensure that on a day-to-day basis a gold-standard experience is delivered for all supporters and that any updates in UK GDPR or fundraising legislation is fed back to the team at monthly team meetings.

All events are risk assessed and covered by professional insurers whom the charity works closely with to ensure supporters are properly protected when registering and taking part in charity events and community activities. All necessary venue permissions, temporary event notices, collection and music licenses, supplier public indemnity insurance and hygiene qualifications are secured for every event hosted at external premises.

The fundraising environment remains competitive and challenging. The need to continually adapt and remain agile has never been more important. This year has seen a shift in the way people give to charity, particularly around the use of digital technologies. In order to continue income growth, digital innovation and investment around supporter acquisition will be a priority.

Oversight of all fundraising activity carried out by the charity is the responsibility of the Trustees, Executive Team and specifically the Income Generation Director. All of whom receive monthly and quarterly reports on activity, complaints and new developments.

ENSURING EXCELLENT FUNDRAISING CUSTOMER SERVICE

The charity is committed to providing an excellent service to supporters, but recognises that, as campaigns and supporter numbers grow, occasionally things do not go according to plan. With this in mind, complaints and feedback are encouraged to help shape the ongoing development of activity and the way in which the charity works with supporters.

During 2020/21 the charity received five complaints relating to fundraising: one by email, one by letter, and three by telephone. The nature of the complaints were as follows:

1. A supporter rang to complain about the charity's 'incompetence' regarding the merger and the contradictory letters she had received regarding regular giving. The initial letter stated she did not need to do anything with her direct debit, but a secondary letter stated that she did need to change her direct debit details. The complainant was also concerned about a gift she had pledged to Birmingham St Mary's Hospice in her will. Through a telephone conversation with the Head of Fundraising Partnerships and Supporter Experience, her worries were allayed and she was happy to reinstate her regular gift.
2. A supporter was disappointed to not have received a letter of thanks following a donation made.
3. A supporter was unhappy about the lack of vegan snacks available at the Ride the Reservoir event and incorrect signage.
4. A supporter was unhappy with regards to the merger. They have been supporting the organisation for 30 years and no longer wanted to make a regular gift or receive marketing communications.
5. A complaint was made from a supporter's brother regarding a thank you communication she had received. This complaint was not upheld.

An internal investigation took place after each complaint, with the outcomes fed back to the complainants in a positive manner with the offer of further discussion. All complainants were satisfied with the responses given and the outcome of their complaint.

ONGOING EVALUATION

Complaints and feedback help the charity to monitor the effectiveness of fundraising activities. The complaints received are actively reviewed and analysed in order to recognise trends and take appropriate action at an early stage. Once resolution of the complaint is achieved, learning outcomes are identified and publicised to improve the quality of the service provided, improve relationships with service users, customers and supporters and promote best practice with staff. Should the complainant not be satisfied with the response from the charity, they are referred to The Fundraising Regulator for independent adjudication.

The Fundraising Team share and review all feedback received and present this information in a post-campaign evaluation report. The organisation respects and values every one of our supporters, and strives to learn from each comment and amend processes where possible, in an endeavour to provide the highest quality service. During the year, teams worked hard to ensure that we were communicating with supporters appropriately and thanking them in a timely manner for their kind donations.

STRUCTURE, GOVERNANCE AND MANAGEMENT

During 2020/21, partnership working between Birmingham St Mary's Hospice and John Taylor Hospice continued, with a shared Chairman and Executive Team. This progressed through to a full merger on 1 August 2021. John Taylor Hospice was then renamed as The Hospice Charity Partnership. All assets and liabilities of St Mary's Hospice Limited (company number 01161308, charity number 503456) and St Mary's Hospice (Trading) Limited (company number 02696641) were transferred over to John Taylor Hospice.

Reference and administrative information set out on pages 37-38 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and Articles of Association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice for Charities (SORP 2015) (*Second Edition, effective 1 January 2019*).

THE ARTICLES OF ASSOCIATION

The Articles of Association is the governing document that sets out rules and requirements relating to Association Members; terms of office and election of Trustees and Honorary Officers; disqualification of Trustees; and proceedings of the Board.

BOARD OF TRUSTEES

The Board of Trustees (the Board) is the governing body of the Charity. The purpose of the Board is to agree the strategic direction of the charity and to ensure the organisation delivers on its plans and objectives as set out in the governing documents. The Board is accountable for the organisation's compliance with regulation and legislation as well as ensuring that the values, ethos and reputation of the organisation are upheld.

The Board also supports the Chief Executive and Executive Team in carrying out their executive responsibilities and holds them to account for their delegated responsibility for the strategic and operational leadership and management of the charity. There is a clear understanding of the distinction between governance and management.

The Trustees have delegated day-to-day management of the charity to the Executive Management Team as outlined on page 37 of this report. These personnel have delegated authority to make decisions on behalf of the charity. Formal meetings of the Executive Management Team are held on a monthly basis and a number of other committees form part of the decision-making structure for recommendations to the Board of Trustees or its subcommittees. These include an Information Governance Committee, Clinical Governance Committee and Health and Safety Committee.

There can be up to 16 Trustees on the charity's Board (with a quorum of four). The Board holds ultimate responsibility for the employment of all organisational staff who are employees of the charity. The Board meets at least four times a year with additional ad hoc meetings held as and when required.

The Board is the final decision-making body for new policy, strategic planning and approval of financial budgets. The Board is also responsible for monitoring the implementation of the strategy and financial activity.

The charity's Chief Executive and Executive Directors attend Board meetings. Trustee and Director Indemnity insurance was provided for the year at an annual cost to the organisation of £3,387 with a limit of indemnity of £2 million.

The directors of the company are referred to as Charity Trustees for the purpose of charity law and under the company's articles are known as Trustees. The method of appointing Trustees is as governed by the Articles of Association as outlined below.

APPOINTMENT OF TRUSTEES

Appointment of Trustees is by decision of the Board of Trustees, who have the power to appoint any person who is able and willing to fulfil the role. Members of the Board shall hold office for a fixed term of three years from the date of their appointment.

Members of the Board are eligible for re-appointment for one further terms of three years each but having served their maximum term of office of six consecutive years may be eligible to serve for an additional year with the agreement of the whole Board.

Trustees are appointed following a recruitment process which may include advertisement or a recruitment event. An expression of interest form and Curriculum Vitae is requested followed by interview with an Appointments Panel of Trustees and Executive Directors. The panel will normally include the Chairman and Chief Executive. References are taken and appropriate suitability checks are made prior to appointment, as Trustees may be given power of inspection.

The role of Chair is for up to two terms of three years. This also follows a recruitment process supported by succession plan and/or advertisement and search. This includes interview with an Appointments Panel of Trustees and Executive Directors.

None of the trustees receive any employment benefits in relation to their role as trustees of the charity. The salaries of the Directors (Executive Management Team) of the company are set by the Remuneration Committee which is a separate subcommittee of the Board of Trustees.

INDUCTION AND TRAINING OF TRUSTEES

New Trustees receive induction to the charity that includes details of their legal obligations under charity and company law, the content of the Articles of Association, the work of the charity and the Board of Trustees. Trustees have a bespoke induction programme put in place and are involved in staff Mix and Mingle sessions, visits to the hospices and within the community to speak with staff and triangulate evidence provided to them at Board and subcommittee meetings. Trustees are encouraged to participate in Trustee 'walkabout' visits. During the COVID-19 pandemic period, induction for new Trustees has been delivered through a series of Microsoft Teams meetings with senior managers.

Trustees are also invited to attend a range of educational sessions including Hospice UK events, giving further opportunities for development. An annual Away Day of Trustees and Executive Directors also takes place, with a focus on the strategic direction of the charity.

MEETINGS OF TRUSTEES

The Board of Trustees meets quarterly during the year and the directors of the charity are in attendance. At least four trustees have to be present in order for the meeting to be quorate.

The Board has five subcommittees: the Audit and Assurance Committee, the Quality Governance Committee, the Remuneration Committee, the Finance, Performance and Estates Committee, and a People Committee which are all chaired by Trustees and have senior management in attendance. The Audit and Assurance Committee, Quality Governance, Finance, Performance and Estates Committee and People Committees meet quarterly before the Board meetings. The Remuneration Committee meets as and when required. During the COVID-19 pandemic these meetings have been held virtually over Microsoft Teams.

These meetings ensure that the charity is fulfilling the requirements of its commissioners and regulators and has regard to charitable and company law.

STRATEGIC LEADERSHIP AND GOVERNANCE FRAMEWORK

The Trustees have overall legal responsibility for administering The Hospice Charity Partnership. The Trustees are responsible for holding the CEO and Senior Management Team to account, for ensuring that the hospice is managed efficiently and effectively and that the highest standards of care are provided. They are responsible for ensuring adequate accounting records are kept that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, and for the maintenance and integrity of the corporate and financial information included on the company's websites.

The Chief Executive is responsible for the leadership of the charity, which involves assisting the Board in determining the strategic vision and plans for the organisation, and for ensuring effective achievement of those plans. The Chief Executive and Executive Team also ensure that Trustees are actively engaged in exercising their accountabilities and assure effective and transparent governance across the whole organisation. This is provided through a leadership and governance framework of which there is a core leadership and governance structure.

LEADERSHIP

The Executive Director Team comprises:

- Chief Executive
- Medical Director
- Clinical Services Director
- Finance and IT Director
- Income Generation Director
- Director of People

Meeting monthly, this team is engaged in looking at the wider strategic implications of changes that affect the charity sector and the operational environment. Executive Directors have powers to make decisions within the approved budget, operational plan and charity policies and procedures, including standing financial instructions which set out delegated authority for financial decisions. Finance, Performance and Estates Committee and Audit Committee (within given limits) or Board authority is required for investment or service changes outside these parameters.

The Executive Directors have specific responsibilities within the grievance and disciplinary procedures.

GOVERNANCE

Throughout the year under review, the following committees were responsible for governance. From October 2021 a new People Committee was established.

FINANCE, PERFORMANCE & ESTATES AND AUDIT & RISK COMMITTEES

The Finance, Performance & Estates and the Audit & Risk Committees are sub-committees of the Board. Executive Directors are members of both committees.

The committees meet quarterly between Board meetings and have specific delegated decision-making authority from the Board and also make recommendations to the Board.

The purpose of the committees is to monitor the strategic, financial and operational planning, and risk management of the charity. A separate Remuneration Committee for Executive Director and Chief Executive pay was established for Board recommendation. The Audit & Risk Committee also assesses the audit process and recommends approval of the financial statements to the Board.

GOVERNANCE COMMITTEES

The Executive Team is responsible for management and assurance of quality and risk through four additional Governance Committees. These aim to ensure that courses of action are taken to minimise and remedy identified risk and poor performance, and that systems are in place to share good practice and continually improve the quality of care, clinical effectiveness and leadership across the organisation.

Governance Committees have delegated responsibility to approve policies which are then recommended to the Board for ratification. Each committee meets at least once a quarter.

The Governance Committees are:

- Clinical Governance
- Finance
- Information Governance (reports to Audit Committee)
- Health and Safety (reports to Finance, Performance & Estates Committee)

PROVIDING AN OPEN AND HONEST CULTURE

Occasionally people cared for by the charity are involved in an incident, some of which have the potential to cause harm. The charity is committed to talking to patients and their carers at a very early stage following any such incident to understand what happened and, where necessary, learn the lessons that will prevent it happening again to improve the safety of future patients. All incidents are reviewed (even where there is no harm) to learn from 'what might have happened'.

If any harm happens, the incident is investigated and patients and their relatives or carers are asked to what degree they wish to be involved in the investigation. The findings are

shared with the patient, their family or carers, and also any learning and improvements shared across the company. The process is designed to 'analyse' and learn but not to 'judge' all incidents - as this is essential to make sure that a culture of openness is established and preserved.

Linked to this, the charity has a Being Open Policy which also describes the requirements in meeting the Duty of Candour to which the organisation is committed. There is also a Being Open Champion; one of the Trustees who is available for staff to approach should they have any concerns about patient safety. A Lead Director (Director of Clinical Services) is the Freedom to Speak Up Guardian to ensure staff raising concerns feel able to do this and are supported when doing so. A group of staff ambassadors' along with an anonymous feedback section on Datix, ensure that there are differing ways staff can raise a concern in place. Themes from Freedom to Speak Up are reported to the Board of Trustees.

THE CHARITY GOVERNANCE CODE

The organisation meets the outcomes of the Charity Governance Code and adheres to the seven principles as follows:

Organisational purpose

The Board is clear about the organisation's aims and objectives, ensuring decisions taken at Board level are aligned with these aims. The organisation's aims and objectives are detailed in this report (see pages 3–4) and reviewed at Board Away Days every year.

Leadership

The Board is responsible for the strategic direction of the charity, ensuring the organisation delivers on its plans and objectives as set out in the governing documents through Governance Committees, Board meetings and through regular Trustee walkabouts.

The objectives are embedded in the organisation, forming part of recruitment and appraisal systems. The Board also ensure the appropriate arrangements are in place for the recruitment and management of volunteers, with a Volunteer Manager in place and strong links to the People Team.

The Chief Executive and Executive Team also ensure Trustees actively exercise their accountabilities through transparent governance across the whole organisation.

Integrity

The Board works to the Nolan Principles of Public Life and has in place Registers of Interests and a Hospitality and Gifts Register which are shared with the Audit Committee on a regular basis.

Decision making risk and control

The Board has sound systems of delegation in place with oversight being given by the Governance Committees. Risk is monitored through regular review of the

strategic/organisational risk registers at both committee level and Board. The Board publishes a Statement of Governance each year which outlines its risk systems and internal controls.

Board effectiveness

Trustees are recruited specifically to bring a range of professional proficiency and sector backgrounds to the Board, in order to fill identified skill and expertise gaps. Trustees undergo regular training and development and all serve set terms of office. The Board meets on a regular basis and has clear work plans and action logs in place. Skills analyses take place to determine the correct skill mix for the Trustees which informs recruitment and regular appraisals are in place. All Trustees have set terms of office and an induction process is in place for all new Trustees. The chairman requests reflections from all Board members at the end of each meeting.

Diversity

The Board's approach to diversity supports its effectiveness, leadership and decision-making. The Board understands its responsibilities in this area, reviewing skills, experience and diversity of Trustees. In 2020 an Equality and Diversity Action plan was agreed and is being implemented, and a staff Inclusion Group is being established. The chair and CEO have also published a clear statement on the Board's views on equality and diversity in light of the events during the year with regard to Black Lives Matter.

Openness and accountability

The Board leads the organisation in being transparent and accountable. The charity is open in its work, unless there is good reason for it not to be.

The Board ensures the charity is transparent in its reporting, publishing key documents on its websites. The Board works with key stakeholders particularly neighbouring hospices and NHS commissioners. The charity works with other providers in the local healthcare economy through the End of Life Care Board in the Birmingham and Solihull STP.

FINANCIAL REVIEW

There have been adequate controls in place over the collection and reporting of information, and data collection conforms to specific data-quality standards.

In addition to core NHS funding, the charity is required to raise funds by way of donations, grants and other activities. The charity has had a number of activities in the period to increase awareness amongst the population served.

Marketing campaigns across the city of Birmingham and other areas are designed to develop and maintain the profile of the charity and to be supporters' first choice of charity to

support. The organisation has improved supported fundraising offers for corporate, other charity and individual supporters including transparency on its costs.

Donation and legacy funding continues to be maintained which is an essential addition to NHS funding to enable the charity to fund services.

The charity ended the 2020/21 financial year with a consolidated surplus overall of £9,742,556 (2019/20: £449,447). This includes the £9,217,847 donation of assets from the merger between Birmingham St Mary's Hospice and John Taylor Hospice on 1st August 2021 - income and expenditure of the Selly Park site from that date is included in these accounts. Excluding the donation from the merger, The Hospice Charity Partnership would have generated a £524,709 surplus. The consolidated surplus is made up of surplus unrestricted funds of £7,171,547 (2019/20: £325,248) and a surplus on restricted funds of £2,571,009 (2019/20: £124,200).

As a result of the COVID-19 pandemic, during 2020/21 the charity received a total of £743,000 in financial support from Birmingham and Solihull CCG (£151,000), Hospice UK (£506,000), local council retail grants (£59,000), HMRC Coronavirus Job Retention Scheme (£27,000).

As of December 2021, The Hospice Charity Partnership has been informed it will receive further NHSE funding through Hospice UK up to March 2022. It is not known at this stage the level of funding the charity will receive, but it will hopefully mitigate the reduction in retail income due to any further shop restrictions, and any further reductions in fundraising as planned future physical events are in limbo.

The Board of Trustees and Executive Management Team will be closely monitoring the fundraising/retail environment and the impact on the financial position.

Realised and unrealised investment gains totalled £194,013 (2019/20: £49,629). The material movement has resulted from the combination of investment portfolios as a result of the merger.

Charitable activities consisting of Inpatient Services, Community Palliative Care, Day Hospice, Hospice at Home and Education Services accounted for 90% (2019/20: 92%) of expenditure for the year.

Of total income, 71% (2019/20: 82%) was generated directly by these charitable activities from the NHS, and therefore the charity continues to rely on non-statutory fundraising.

PRINCIPAL SOURCES OF FUNDING

Donations and gifts

The charity was pleased to receive donations and gifts of £675,828 (2019/20: £373,188) - an increase of £302,641 (81%).

Legacies

Income of £277,597 (2019/20: £197,355) was received from gifts generously left by supporters in their wills. This was an increase of £80,241 (41%) year-on-year and represents 2% of the charity's total funding. Bequests remain vital to the charity's continued financial viability, and sincere thanks are due to all those people who continue to remember the charity in this way.

NHS grants

Income from the NHS increased from the previous year to £6.02m from £5.5m, predominantly as a result of the merger combining both hospice contracts and the one-off grant the charity received of £151,000 in 2020/21.

This contracted income from Birmingham and Solihull CCG and Sandwell accounts for 71% of the charity's income after excluding the donations of assets as a result of the merger.

Trust and grants

The Trustees remain very grateful for the extremely high level of support received from a range of charitable trusts and foundations. In 2020/21 this totalled £139,830 (£78,962). This was an increase of £60,868 (77%).

Lotteries

Your Hospice Lottery (YHL), owned and run by St Helena Hospice, continues to manage the lottery on behalf of the charity, under the John Taylor Hospice brand. There was small growth in the number of players during 2020/21. At the start of the financial year there were 2,248 numbers in the draw and the latest figures show 2,297 players with 3,225 plays. Despite the challenging environment due to the COVID restrictions there were just 245 player cancellations. The length of play for YHL members is declining to lower than three years, however YHL have implemented a strategy to push business memberships, have launched a new website and is pushing single ticket sales and a Play & Save campaign to increase retention.

As a result of the merger, the charity now owns a one-third share of the equity of TLC Lotteries Ltd (TLC). This company is a joint venture between The Hospice Charity Partnership, Acorns Children's Hospice and Focus Birmingham. TLC is managed by a Lottery Manager. The TLC Board of Directors comprises two representatives from each of the three charities. The Hospice Charity Partnership representatives are a Company Director and the Director of Income Generation. TLC is a decision-making organisation unless Trustee approval is required from any of the owner charities.

During 2020/21 £51,600 (2019/20 £36,383) was generated from lottery activity, an increase of £15,217 (42%).

Trading activities

As a result of the merger, The Hospice Charity Partnership has increased its operation to 20 charity shops across the city. Income from trading increased by £340,198 (321%) compared with the previous year. Trading costs increased by £191,062 (69%).

Trading income included £21,832 (2019/20: £14,079) relating to donations under the retail Gift Aid scheme, which operates in all of the charity shops.

Investment income

Investment income increased to £39,985 (2019/20: £3,845). The majority of this income was earned through the activities of listed investments.

Reserves policy

The reserves policy of the charity takes into account the nature of the income and expenditure streams and the need to provide against the uncertainty of voluntary income, especially the significant variability of legacy income.

The Trustees have reviewed the risks associated with each major income and expenditure stream and quantified potential variability to determine the value of reserves required. The Trustees agreed a new reserves policy in January 2022 which required that a minimum balance of £9.9m is maintained in unrestricted reserves. This will include maintaining free reserves of £3.6m cash, designated reserves £300,000 held for capital asset purchases, £5m for investment portfolio to supplement income streams and £1m held whilst the Facilities/Estates Development Strategy is concluded. The reserves held would equate to eight months' operational cover.

The Executive Team work closely with commissioners regarding future services and sustainability. The Finance, Performance and Estates Committee, a sub-committee of the Board, meet four times per year and closely monitor results and future forecasts.

Restricted funds are monies given to the charity for specific capital and project work within the overall aims of the organisation. The funds represent both capital and revenue funds and are detailed in note 16 to the accounts. Grants and donations received for capital purposes are accounted for as a restricted fund and the depreciation of the underlying fixed asset is charged to these funds over their lifetime. Revenue funds are received and will be expensed over the lifetime of the project.

Despite the impact of the global COVID-19 pandemic, closing reserves remain ahead of target. Total reserves at the year-end stood at £14,632,336 (2019: £4,889,780). At the year-end the charity held unrestricted reserves of £11,408,201, that included free reserves (total reserves excluding fixed assets and funds held on investment) of £4,789,376 (2019: £2,759,877). This exceeds the reserves target and the additional funds are being held due to the unknown future impact of the COVID pandemic on development and strategic plans.

Principal risks and uncertainties

Organisational risks are under constant review at the charity. The Executive and Business Development Team maintain a 'live' risk register that assesses governance, operational activities and strategic risk.

On a quarterly basis the Governance Committees (as detailed on page 28) review and challenge the risks relevant to their committee to ensure the level of risk remains appropriate and that mitigating actions are in place to effectively manage the risk.

The risk register includes a Gross, Net and Residual Risk score enabling Trustees and Executives to focus their attention accordingly.

The entire risk register is presented to the Board of Trustees on an annual basis identifying the procedures and systems in place to manage those risks with high risk ratings.

A wide range of policies and procedures are in place to minimise and manage risk as well as ensure compliance with legislation and CQC standards.

The accounting records are maintained by the charity and the system of internal control pertaining to the charity is in place. These are designed to provide reasonable assurance against material misstatement or loss. They include:

- An annual budget approved by the Board
- A clear income strategy for the charity
- Progress against the charity budget is reported quarterly at Board meetings and by correspondence in the intervening months
- Delegation of authority and segregation of duties

External environment

In 2021/22 and into 2022/23 the global COVID-19 pandemic and workforce availability as a result of national policy and Brexit continues to be a significant risk.

Managing staffing during a pandemic is extremely challenging and the charity has managed to maintain services throughout. Staff are exhausted but the organisation continually looks for new ways to support them through these difficult times. Psychological support, counselling and supervision has been provided for staff.

Merging during a pandemic has also brought unique challenges for the workforce. The pandemic strengthened the case for change and in many ways has expedited new ways of working.

Recruitment of clinical staff remains challenging; there is a lack of nurses and doctors, and this is a national crisis that will go on for some time. The charity has had some success in recruiting new staff but this often affects other services across the system. Many organisations are recruiting from the same pool of people - and this pool continues to shrink. The charity has started looking at recruiting different types of allied health professionals with skills that are transferable to a hospice service.

However, the organisation will also always be majorly reliant on a nursing and medical workforce which is currently depleted nationally. It is hoped that the launching of the new strategy and a major capital appeal will increase staff retention and recruitment.

Financial sustainability

Following the merger the new organisation receives 70% of its income from the NHS. This reflects the high level of NHS funding on the John Taylor site and reflects the local challenges for fundraising in a very young and diverse city with significant health and economic inequalities.

The merger has yielded a recurrent annual saving of £800,000 which has resulted in reducing the combined organisations' deficit and means the charity will break even in 2022/23.

The charity continues to be reliant on charitable giving and the unpredictability of legacy income remains, so the organisation budgets conservatively for this to mitigate the associated risks.

Going concern assessment

The Hospice Charity Partnership directors have prepared the charity entity accounts on a going-concern basis because assurance has been gained from the main NHS funder that its contract to procure services from the charity will run until 31st March 2023 at the earliest. There is an adequate level of reserves held in line with the current reserves policy.

Taxation status

HMRC has recognised The Hospice Charity Partnership as a charity for tax purposes and as a charitable company. This means the charity can claim back basic rate Income Tax on certain donations received from individuals through the Gift Aid scheme. At present there is no taxable (non-exempt) income or gains in the charity and therefore no tax to pay.

Investment Policy and performance

The Investment Policy, which was set in conjunction with the investment managers Quilter Cheviot remains unchanged. The objectives of that policy are as follows: To provide capital growth over the longer term and the portfolio will supplement the primary source of income for essential charitable expenditure.

Although generally, the interests of a charity's beneficiaries are best served by seeking to obtain a financial return from a suitably diverse portfolio of investments, the Investment Manager does have due regard to those assets which could be detrimental to the aims and objectives of The Hospice Charity Partnership.

Trustees aim to avoid directly investing in companies whose main business is in tobacco and alcohol, and pharmaceutical companies that don't adhere to the ABPI Code of Conduct.

Performance targets have been set for the Investment Manager to achieve a return consistent with the objective set out above while maintaining an acceptable level of risk. Performance of the portfolio is reviewed quarterly with the Investment Manager.

Remuneration policy

The charity has published pay scales, which are reviewed annually by the Board of Trustees. All new employee job descriptions, and substantive changes, are subject to evaluation by an external HR specialist to determine pay level. Annually all roles are reviewed as part of the standardised charity-wide appraisal process, and re-evaluated if job descriptions have changed materially. The Remuneration Committee oversees the remuneration process for the Chief Executive and Executive Directors.

Trustees and committee members do not receive any form of remuneration for their roles.

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The Trustees (who are also Directors of The Hospice Charity Partnership for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the charity's SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for ensuring adequate accounting records are maintained that disclose, with reasonable accuracy at any time, the financial position of the charitable company and enable assurance 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.

In so far as the Trustees are aware:

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

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

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 8th February 2022 and signed on their behalf by Harry Turner, Chair.

A handwritten signature in black ink, consisting of a stylized 'H' followed by a flourish and a period.

PATRONS

Mrs Judy Dyke MBE, LLB, TEP

Mrs Llewela Bailey

Mr Brendon Batson OBE

BOARD OF TRUSTEES

Mr H Turner (Chair)

Mr G Snelgrove (resigned March 21)

Mrs L Webb

Mr M Goodwin

Ms B Edgar

Mr P Shanahan

Mr R Pickup

Mr M Sexton (appointed January 21-
resigned August 21)

Dr J Shapiro

Mrs K Sharpe

Ms K E Dowman MSc Dip IHSM (appointed
July 21)

Mrs J Kelly (resigned November 20)

Mrs J Ward (appointed July 21)

Mr P Wainwright

Mr P Bytheway (appointed July 21)

EXECUTIVE OFFICERS

Chief Executive: Mr S Fuller (appointed January 21)

Mrs P Venables (retired January 21)

Director of Clinical Services: Miss S Mimmack

Finance and IT Director: Mrs A McQuinn

Director of Income Generation: Miss L Watkins

Medical Director/Consultant in Palliative Medicine: Dr D Talbot MBChB, MRCP, AHEA

Director of People and Culture: Mrs M Stuteley (appointed August 21)

REGISTERED OFFICE

76 Grange Road
Erdington
Birmingham
B24 0DF

AUDITOR

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

BANKERS

HSBC Bank
6th Floor
120 Edmund Street
Birmingham
B3 2QZ

INVESTMENT MANAGERS

Quilter Cheviot
8th Floor
Two Snowhill
Birmingham
B4 6GA

REGISTERED CHARITY NUMBER

1156964

COUNTRY OF REGISTRATION

England and Wales

REGISTERED COMPANY NUMBER

08991245

COUNTRY OF INCORPORATION

United Kingdom

OPINION

We have audited the financial statements of The Hospice Charity Partnership for the year ended 30th September 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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 charitable company's affairs as at 30th September 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the Trustees' Annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- Adequate accounting records have not been kept by the charitable company; or
- The charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 36-37, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Care Quality Commission, Charity Commission, Fundraising regulations, employment law, GDPR and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll tax VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to revenue, management bias in accounting estimates and application of controls around authorisation of expenditure. Audit procedures performed by the engagement team included:

- Inspecting trustees' meeting minutes
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and

- Challenging assumptions and judgements made by management in their critical accounting estimates

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

Use of our report

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



Lee Stokes (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place

London

EC4R 1AG

Date: 14 February 2022

THE HOSPICE CHARITY PARTNERSHIP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30th SEPTEMBER 2021 INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

	Notes	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>	<i>Total funds 2020 £</i>
INCOME FROM:					
Donations and legacies	1	953,955	645,028	1,598,983	828,102
Charitable activities	2	6,023,837	-	6,023,837	5,501,922
Other trading activities	3	816,824	-	816,824	336,148
Investments	4	39,985	-	39,985	3,845
Donation of Charitable assets	21	6,654,696	2,563,151	9,217,847	-
Total		<u>14,489,297</u>	<u>3,208,179</u>	<u>17,697,476</u>	<u>6,670,017</u>
EXPENDITURE ON:					
Raising funds	5	353,468	20,765	374,233	214,392
Charitable activities	5	6,717,439	589,765	7,307,204	5,779,372
Other Trading Activities	5	467,496	-	467,496	276,434
Total		<u>7,538,403</u>	<u>610,530</u>	<u>8,148,933</u>	<u>6,270,198</u>
Net income before net gains on investments		6,950,894	2,597,649	9,548,543	399,819
Net gains on investments	13	194,013	-	194,013	49,629
Transfers between funds	16	26,640	(26,640)	-	-
Net Movement in funds		<u>7,171,547</u>	<u>2,571,009</u>	<u>9,742,556</u>	<u>449,448</u>
Reconciliation of funds:					
Total funds brought forward	16	4,236,654	653,126	4,889,780	4,440,332
Total funds carried forward	16	<u><u>11,408,201</u></u>	<u><u>3,224,135</u></u>	<u><u>14,632,336</u></u>	<u><u>4,889,780</u></u>

* The notes on pages 52 to 66 form part of these financial statements.

THE HOSPICE CHARITY PARTNERSHIP BALANCE SHEET AS AT 30th SEPTEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	4,822,275	1,078,351
Investments	13	5,015,585	1,051,552
Investment in Joint Venture		5,100	-
		<hr/>	<hr/>
		9,842,960	2,129,903
CURRENT ASSETS			
Stock		10,651	-
Debtors	14	1,195,751	434,031
Cash at bank and in hand		4,989,281	2,958,063
		<hr/>	<hr/>
		6,195,683	3,392,094
CURRENT LIABILITIES			
Creditors: amounts due within one year	15	(1,381,865)	(632,217)
		<hr/>	<hr/>
NET CURRENT ASSETS		4,813,818	2,759,877
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		14,656,778	4,889,780
		<hr/>	<hr/>
Creditors: amounts due in after one year	15	(24,442)	-
		<hr/>	<hr/>
NET ASSETS		14,632,336	4,889,780
		<hr/>	<hr/>
REPRESENTED BY			
Restricted funds	16	3,224,135	653,126
Unrestricted funds	16	11,408,201	4,236,654
		<hr/>	<hr/>
		14,632,336	4,889,780
		<hr/>	<hr/>

The notes on pages 52 to 66 form part of these financial statements.

The financial statements were approved by the Trustees and authorised for issue on 8th February 2022 and signed on their behalf by:



Harry Turner, Trustee



Lindsey Webb, Trustee

**THE HOSPICE CHARITY PARTNERSHIP STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 30th SEPTEMBER 2021**

	<i>2021</i> £	<i>2020</i> £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the reporting period (as per the statement of financial activities)	9,742,556	449,448
Adjustments for:		
Depreciation charges	189,869	190,345
Gains on investments	(194,013)	(49,629)
Loss on the sale of fixed assets	-	-
Dividends and interest from investments	(39,985)	(3,845)
Increase in debtors	(761,720)	841,144
Increase in Stock	(10,651)	-
Increase in creditors	774,090	265,635
Transfer of Asset St Marys Hospice (note 21)	(7,587,494)	-
Net cash provided by operating activities	<u>2,112,652</u>	<u>1,693,098</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends and interest from investments	39,985	3,845
Proceeds from the sale of property, plant and equipment		
Purchase of property and equipment	(121,419)	(156,159)
Purchase of investments		(1,000,000)
Net cash used in investing activities	<u>(81,434)</u>	<u>(1,152,314)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	<u>2,031,218</u>	<u>540,784</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	<u>2,958,063</u>	<u>2,417,279</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	<u><u>4,989,281</u></u>	<u><u>2,958,063</u></u>

GENERAL INFORMATION

The Hospice Charity Partnership ("the charity") is a charitable company limited by guarantee and is incorporated in England, UK (Company registration number 08991245 and charity number 1156964). The address of the charity's registered office and principal place of business is 76 Grange Road, Erdington, Birmingham B24 0DF.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015) – the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1st January 2019, FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Charities Act 2011 and the Companies Act 2006.

The Hospice Charity Partnership meets the definition of a public benefit entity under the Charities Act. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The financial statements are presented in sterling which is also the functional currency of the charity.

GOING CONCERN

The Hospice Charity Partnership Directors/Trustees have prepared the charity accounts on a going-concern basis because assurance has been gained from the main NHS funder that their contract to procure services from the hospice will run until 31st March 2023 at the earliest. There is no fundamental uncertainty about the charity's ability to pay debts as they fall due for at least a year after the financial statements have been signed.

INCOME

All income is included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy and will probably be received. The following specific policies are applied to particular categories of income:

- Donations receivable for the general purposes of the charity are credited to unrestricted funds. Donations subject to specific wishes of the donors are carried to relevant restricted funds.
- For legacies, entitlement is taken at the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's

intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

- Investment income is recognised on an accruals basis.
- Grants receivable are recognised in the statement of financial activities when the conditions for receipt have been complied with.
- Other income is accounted for in the year in which the service is provided.
- The value of voluntary work is not included in the financial statements.
- Clothing and other items donated for resale through the charity shops are included as income when they are sold. They are not included at valuation prior to being sold as it has been deemed impractical to measure the fair value of the goods and the cost of valuation would outweigh the benefit to the users of the account.

EXPENDITURE

Liabilities are recognised as expenditure or deferred on the balance sheet as soon as there is a legal or constructive obligation committing the charity to the expenditure. The following specific policies are applied to particular categories of expenditure:

- Expenditure on raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.
- Charitable activities include expenditure include both direct costs and support costs relating to the activity together with governance costs.
- Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the trustees, professional indemnity insurance for trustees and officers, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources e.g. staff costs by the time spent and other costs by their usage.

FUND ACCOUNTING

General unrestricted funds comprise the accumulated surpluses and deficits on general funds. They are available for use at the discretion of the trustees in furtherance of the general charitable objectives.

Restricted funds are created when grants and donations are received either for a particular area or purpose, the use of which is restricted to that area or purpose. Expenditure is charged to the statement of financial activities when incurred.

FINANCIAL INSTRUMENTS

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument, and are offset only when the charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

FINANCIAL ASSETS

Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

Impairment losses are recognised in Statement of Financial Activities for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in Statement of Financial Activities.

Financial Liabilities

Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into.

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Operating leases

Operating leases are charged to the Statement of Financial Activities equally over the period to which they relate.

Pension cost

Past and present eligible employees are covered by the provision of the NHS Pension Scheme. Details of the benefits payable under the provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers these employers, GP Practices and other bodies allowed under the direction of the

Secretary of State in England and Wales. The scheme is not designed to be run in a way that would enable those bodies to identify their share of the underlying scheme assets and liabilities. Therefore the scheme is accounted for as if it were a defined contribution scheme: the cost to the company of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. For non-eligible employees, those who join the company and have not been previously part of the NHS Pension Scheme, the company offers a personal pension plan administered by Royal London (previously known as Scottish Life). This scheme is also accounted for as a defined contribution scheme with costs to the company of participating in the scheme taken as equal to the contributions payable to the scheme for the accounting period.

TANGIBLE FIXED ASSETS

Tangible assets are stated at cost less depreciation. Depreciation is provided on a straight line basis to write off fixed assets over their estimated useful lives as follows:

Freehold Land and Buildings - over 50 years

Leasehold improvements - over 50 years

Computer Equipment - over 3 years

Fixtures, fittings, vehicles - over 2 to 6 years

Clinical - over 4 years

Retail fixtures and fittings - over term of the lease

Freehold land and assets in the course of construction are not depreciated.

Assets costing less than £1,000 are written off in the year of acquisition unless deemed suitable for 'home' or 'individual' use. All other assets are capitalised.

Leasehold improvements to the hospice are written down in line with the building policy over 50 years as is the opinion of the directors the lease of the hospice is interlinked with the freehold buildings and they should have the same period of depreciation.

IMPAIRMENT OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and the recoverable amount, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses in the Statement of Financial Activities.

INVESTMENTS

Investments are stated at their market value at year end. All movements in value are shown in the Statement of Financial Activities.

TAXATION

The company has been granted exemption by HMRC from any corporation tax liability on its charitable activities.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements may require management to make significant judgements and estimates.

SIGNIFICANT JUDGEMENTS

Donated goods for resale are not included at valuation prior to being sold as it has been deemed impractical to measure the fair value of the goods and the cost of valuation would outweigh the benefit to the users of the accounts.

SIGNIFICANT ESTIMATES

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. There are no significant estimates having a material effect on the financial statements.

THE HOSPICE CHARITY PARTNERSHIP NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30th SEPTEMBER 2021

1 INCOME FROM DONATIONS AND LEGACIES

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total</i>	<i>Total</i>
	2021	2021	2021	2020
	£	£	£	£
Donations	611,385	34,570	645,955	363,738
Gift Aid on donations	29,873	-	29,873	9,450
Legacies	277,597	-	277,597	197,355
Grants	35,100	104,730	139,830	78,962
HUK Grant		505,728	505,728	178,597
	<hr/>	<hr/>	<hr/>	<hr/>
	953,955	645,028	1,598,983	828,102
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	<i>751,940</i>	<i>76,162</i>	<i>828,102</i>	

2 INCOME FROM CHARITABLE ACTIVITIES

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total</i>	<i>Total</i>
	2021	2021	2021	2020
	£	£	£	£
NHS grants and contracts for patient care	6,023,837	-	6,023,837	5,501,922
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	<i>5,380,163</i>	<i>121,759</i>	<i>5,501,922</i>	

3 OTHER TRADING ACTIVITIES

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total</i>	<i>Total</i>
	2021	2021	2021	2020
	£	£	£	£
Other income	271,342	-	271,342	146,081
Lottery income	51,600	-	51,600	36,383
Retail income	493,882	-	493,882	153,684
	<hr/>	<hr/>	<hr/>	<hr/>
	816,824	-	826,824	336,148
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	<i>336,148</i>	<i>-</i>	<i>336,148</i>	<i>336,148</i>

Included within retail income is £21,832 of Gift Aid reclaimed through the retail Gift Aid scheme.

4 INVESTMENT INCOME

	<i>Unrestricted Funds 2021 £</i>	<i>Restricted Funds 2021 £</i>	<i>Total 2021 £</i>	<i>Total 2020 £</i>
Bank interest	39,985	-	39,985	3,845
	<u>39,985</u>	<u>-</u>	<u>39,985</u>	<u>3,845</u>
<i>Total 2020</i>	<u><u>3,845</u></u>	<u><u>-</u></u>	<u><u>3,845</u></u>	<u><u>3,845</u></u>

5 ANALYSIS OF EXPENDITURE	<i>Staff costs 2021 £</i>	<i>Depreciation 2021 £</i>	<i>Other costs 2021 £</i>	<i>Total 2021 £</i>	<i>Total funds 2020 £</i>
(a) <i>Costs of raising funds</i> Expenditure on raising voluntary income	289,936	20,765	63,532	374,233	214,393
(b) <i>Charitable activities</i> Expenditure relating to delivery of NHS grants and contracts for patient care	6,188,702	132,664	985,838	7,307,204	5,779,372
(c) <i>Trading Activities</i> Expenditure on Trading Activities	282,533	36,440	148,523	467,496	276,434
<i>Total 2021</i>	<u><u>6,761,171</u></u>	<u><u>189,869</u></u>	<u><u>1,197,893</u></u>	<u><u>8,148,933</u></u>	<u><u>6,270,198</u></u>
<i>Total 2020</i>	<u><u>5,270,746</u></u>	<u><u>190,345</u></u>	<u><u>809,107</u></u>	<u><u>6,270,198</u></u>	

6 EXPENDITURE ON RAISING VOLUNTARY AND TRADING INCOME

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total</i>	<i>Total</i>
	2021	2021	2021	2020
	£	£	£	£
Fundraising costs				
Staff costs	289,936	-	289,936	172,709
Depreciation	-	20,765	20,765	-
Other costs	63,532	-	63,532	41,684
	<u>353,468</u>	<u>20,765</u>	<u>374,233</u>	<u>214,393</u>
<i>Total 2020</i>	<u><i>214,393</i></u>	<u><i>-</i></u>	<u><i>214,393</i></u>	

7 ANALYSIS OF EXPENDITURE BY ACTIVITIES

	<i>Activities undertaken directly</i>	<i>Support costs</i>	<i>Total</i>	<i>Total funds</i>
	2021	2021	2021	2020
	£	£	£	£
NHS grants and contracts for patient care	5,275,945	2,031,259	7,307,204	5,779,372
<i>Total 2020</i>	<u>4,442,743</u>	<u>1,336,629</u>	<u>5,779,372</u>	

8 DIRECT COSTS

	<i>Total</i>	<i>Total</i>
	2021	2020
	£	£
Drugs	44,308	34,311
Medicinal supplies	110,426	80,588
Covid Supplies	5,500	74,925
Cleaning and laundry	39,609	32,177
Catering	36,987	37,137
Small equipment	10,287	15,335
Training	41,503	43,515
Depreciation	132,664	162,069
Contracted medical staff	459,114	139,449
Wages and salaries	3,689,427	3,193,694
National insurance	307,408	272,618
Pension cost	398,712	356,925
	<u>5,275,945</u>	<u>4,442,743</u>

9 SUPPORT COSTS

	<i>Total</i> 2021 £	<i>Total</i> 2020 £
Premises costs	91,071	76,416
Travelling and subsistence	29,580	43,929
Office costs	198,829	156,165
Repairs and renewals	25,270	19,489
Legal and professional	68,938	48,225
Merger Costs	132,596	-
Other costs	120,943	50,014
Wages and salaries	1,170,258	768,863
National insurance	97,540	91,621
Pension cost	96,234	81,907
	<hr/>	<hr/>
	2,031,259	1,336,629
	<hr/> <hr/>	<hr/> <hr/>

10 NET INCOME

	<i>Total</i> 2021 £	<i>Total</i> 2020 £
This is stated after charging:		
Depreciation of tangible fixed assets	189,869	190,345
Operating lease rentals	88,355	51,437
Auditors remuneration – audit	13,600	12,750
Auditors remuneration – non audit	-	250
	<hr/>	<hr/>

11 STAFF COSTS

	<i>Total/ 2021 £</i>	<i>Total/ 2020 £</i>
Staff costs were as follows:		
Wages and salaries	5,259,377	4,290,691
Social security costs	447,499	384,486
Other pension costs	503,922	456,120
	<hr/>	<hr/>
	6,210,798	5,131,297
Agency and contracted staff	550,373	139,449
	<hr/>	<hr/>
	6,761,171	5,270,746
	<hr/> <hr/>	<hr/> <hr/>

The average number of persons employed by the company during the year was as follows:

	<i>Total/ 2021 No</i>	<i>Total/ 2020 No</i>
Hospice	214	133
Management and administration	50	23
	<hr/>	<hr/>
	264	156
	<hr/> <hr/>	<hr/> <hr/>

The number of higher paid employees was:

	<i>Total/ 2021 No</i>	<i>Total/ 2020 No</i>
In the band £60,001 - £70,000	1	5
In the band £70,001 - £80,000	4	2
In the band £80,000- £90,000	-	-
In the band £90,000 -£100,000	1	-
	<hr/>	<hr/>
	6	7
	<hr/> <hr/>	<hr/> <hr/>

During the year, no Trustees received any remuneration (2020 - £NIL).

During the year, no Trustees received any benefits in kind (2020 - £NIL).

During the year, two Trustee received reimbursement of expenses for travel and subsistence for £0 (2020 - £708).

Included within the wages and salaries are staff termination costs of £190,858 (2020 - £0)

During the financial year, volunteers made regular commitments to support The Hospice Charity Partnership. These roles include as day hospice hosts, drivers, photographers, fundraisers, gardeners and finance support. In addition, volunteers gave corporate social responsibility time for projects including painting and gardening. No Trustee received any emolument or payment for professional or other services.

Key management remuneration

The key management personnel of the charity comprise of the executive staff as listed on page 37. The total employee benefits of the key management personnel of the charity were £432,105 (2020 - £396,644).

12 TANGIBLE FIXED ASSETS

	<i>Freehold Land & Buildings</i>	<i>Leasehold Improvements</i>	<i>Computer Equipment</i>	<i>Fixtures, Fittings, Vehicles</i>	<i>Clinical</i>	<i>Retail Fixtures & Fittings</i>	<i>Total</i>
	£	£	£	£	£	£	£
Cost:							
1 October 2020	529,770	345,156	632,336	203,678	300,854	141,386	2,153,180
Additions	23,818	7,365	25,698	18,707	36,351	9,480	121,419
Donation of Charitable Assets (Note 21)	3,215,908	62,406	99,836		252,042	182,181	3,812,373
30 September 2021	<u>3,769,496</u>	<u>414,927</u>	<u>757,870</u>	<u>222,385</u>	<u>589,247</u>	<u>333,047</u>	<u>6,086,972</u>
Depreciation:							
1 October 2020	32,388	38,160	535,351	163,968	244,564	60,397	1,074,828
Charged in the period	26,599	10,323	63,673	21,646	31,293	36,335	189,869
30 September 2021	<u>58,987</u>	<u>48,483</u>	<u>599,024</u>	<u>185,614</u>	<u>275,857</u>	<u>96,732</u>	<u>1,264,697</u>
Net book value 30 September 2021	<u>3,710,509</u>	<u>366,444</u>	<u>158,846</u>	<u>36,771</u>	<u>313,390</u>	<u>236,315</u>	<u>4,822,275</u>
30 September 2020	<u>497,382</u>	<u>306,996</u>	<u>96,985</u>	<u>39,710</u>	<u>56,290</u>	<u>80,988</u>	<u>1,078,351</u>

13 INVESTMENTS

	<i>Total</i> 2021 £	<i>Total</i> 2020 £
Valuation:		
1 October 2020	1,051,552	1,923
Transfer in from Merger	3,770,020	-
Additions	535,044	1,000,000
Disposals	(535,044)	
Unrealised gains	194,013	49,629
30 September 2021	<u>5,015,585</u>	<u>1,051,552</u>

The historical cost of investment is £4,770,020 (2019:£1,000,000).

14 DEBTORS

	<i>Total</i> 2021 £	<i>Total</i> 2020 £
Trade debtors	410,857	234,618
Other Debtors	210,594	33,990
Prepayments and accrued income	574,300	165,423
	<u>1,195,751</u>	<u>434,031</u>

15 CREDITORS

	<i>Total</i> 2021 £	<i>Total</i> 2020 £
Trade creditors	61,237	348,402
Other taxation and social security	100,947	187,744
Corporation tax	10	10
Other creditors	187,733	112,403
Accruals and Deferred income	282,290	757,748
	<u>632,217</u>	<u>1,406,307</u>

*Other creditors include £111,256 (2020: £62,606) of outstanding pension contributions. Included in the above are creditors due after one year of £24,442 in respect of MHR HR/Payroll system implementation.

16 STATEMENT OF FUNDS

	<i>Brought forward</i> £	<i>Income and gains</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Carried forward</i> £
Unrestricted funds	4,236,654	14,683,310	(7,538,403)	26,640	11,408,201
Restricted funds					
SEIF	168,189			3,422	171,611
League of Friends	287,157			(26,067)	261,090
Hospice Capital Projects		818,688	(17,305)		801,383
Extension Fund		595,559	(2,565)		592,994
Hospice Service Fund		204,806	(28,931)		175,875
H J Conservatory Fund		28,917	(95)		28,822
Freehold Property Fund		719,200	(800)		718,400
Roof Appeal		260,490		(1,222)	259,268
EOL	107,476		(18,057)		89,419
Other	90,304	580,519	(542,777)	(2,773)	125,273
Total restricted funds	653,126	3,208,179	(610,530)	(26,640)	3,224,135
Total funds	4,889,780	17,891,489	8,148,933	-	14,632,336
<i>2020 comparative</i>	<i>Brought forward</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Carried forward</i> £
Unrestricted funds	3,911,406	6,472,096	(6,244,400)	47,923	4,236,654
Restricted funds					
SEIF	170,823	-	-	(2,643)	168,189
League of Friends	316,833	88,988	-	(29,676)	287,157
EOL	-	121,759	(14,283)		107,476
Other	41,270	76,162	(11,515)	(15,613)	90,304
Total restricted funds	528,926	197,921	(25,798)	(47,923)	653,126
Total funds	4,440,332	6,670,017	(6,270,198)	-	4,889,780

The charity has the following restricted funds, created as a result of conditions imposed by the funder:

- SEIF: Funding used for capital purchase of property and refurbishment required
- League of Friends: Funding used for capital work on property, purchase of a vehicle for patient transport and large clinical items required for the Inpatient Units
- EOL: Central government funding provided for IT and infrastructure initiatives to aid cross-city hospice service provision
- Other: Funding currently held for dementia project, complementary therapy project, children's bereavement project, a family room, a young person's room and social hub
- Hospice UK resilience funding: The NHSE awarded funding to allow the hospice to make available bed capacity and community support in the context of the COVID situations from November 2020-March 2021
- Hospice capital projects: Funds to cover the costs of specific items of capital expenditure, such as refurbishment, fittings, vehicles, computers and equipment. This includes major refurbishment of the Birmingham St Mary's Hospice Inpatient Unit and reception completed in 2009/10, the Day Hospice in 2010/11 and the Family Centre completed in 2013/14
- Extension fund to help meet the costs of the hospice extension and major refurbishment programme completed in 1997/98
- Hospice services fund to help meet the direct revenue cost of a variety of projects including Child Bereavement Services, a Support at Home Service and a Bereavement Counsellor
- Henry Joseph Conservatory Fund to fund the conservatory on the Birmingham St Mary's Hospice Inpatient Unit in 1998/99
- Education Centre fund to cover expenditure on the charity's education and conference facilities, completed in 1999/2000

17 SPLIT OF NET ASSETS BY FUND

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total Funds 2021 £</i>	<i>Total Funds 2020 £</i>
Tangible fixed assets	1,598,140	3,224,135	4,822,275	1,078,351
Fixed asset investments	5,020,685	-	5,020,685	1,051,552
Current assets	6,195,683	-	6,195,683	3,392,094
Creditors due within one year	(1,381,865)	-	(1,381,865)	(632,217)
Creditors due after one year	(24,442)	-	(24,442)	-
	<u>11,408,201</u>	<u>3,224,135</u>	<u>14,632,336</u>	<u>4,889,780</u>
	<u><u>11,408,201</u></u>	<u><u>3,224,135</u></u>	<u><u>14,632,336</u></u>	<u><u>4,889,780</u></u>
<i>2020 comparative</i>	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total Funds 2020 £</i>	<i>Total Funds 2019 £</i>
Tangible fixed assets	538,115	540,236	1,078,351	1,112,536
Fixed asset investments	1,051,552	-	1,051,552	1,923
Current assets	3,279,204	112,890	3,392,094	3,692,454
Creditors due within one year	(632,217)	-	(632,217)	(366,581)
	<u>4,236,654</u>	<u>653,126</u>	<u>4,889,780</u>	<u>4,440,332</u>
	<u><u>4,236,654</u></u>	<u><u>653,126</u></u>	<u><u>4,889,780</u></u>	<u><u>4,440,332</u></u>

18. PENSION COSTS

The majority of past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies allowed under the direction of the Secretary of State in England and Wales. The scheme is not designed to be run in a way that would enable these bodies to identify their share of the underlying scheme assets and liabilities. Therefore the scheme is accounted for as if it were a defined contribution scheme: the cost to the company of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

A number of employees fell outside the parameters of the direction provided by the Secretary of State, in England and Wales and as such do not qualify for the NHS Pensions Scheme. As such an alternative pension scheme is provided on a defined contribution basis with Royal London. This scheme commenced in October 2013 and is also accounted for as a defined contribution scheme: the cost to the company of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. The scheme complies with pension's auto-enrolment legislation.

Total contributions to all schemes amounted to £517,202 (2020: £456,120).

There are seven rates of member contribution in the NHS Pensions Scheme, ranging from 5% of pensionable pay for the lowest earners up to 14.5% for highest earners, based on the whole time equivalent pensionable pay. The thresholds at which the rates change are linked to nationally agreed pay rates at set levels and are based on salaries equivalent to someone working full time. If the overall cost of the scheme increases, the amount both members and the company contribute may also increase. The costs of the scheme are determined by the Government and also the scheme actuary who performs periodic valuations of the scheme to determine how much needs to be paid in to provide the benefits paid out. These costs are shared between the employers and the NHS Pensions Scheme members.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM (The Government Financial Reporting Manual) requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience) and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was as at 31st March 2012 (published in June 2014), the previous actuarial valuation was carried out as at 31st March 2004. The primary purpose of the 2012 actuarial valuation was to set the employer

contribution rate payable from April 2015, in light of the introduction of new pension arrangements from 1st April 2015 explained below, and the initial employer cost cap which is required by the Public Service Pensions Act 2013. Both the employer contribution rate and employer cost cap will be included in Scheme Regulations. The next actuarial valuation is expected to be carried out as at 31st March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

b) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data are accepted as providing suitably robust figures for financial reporting purposes. However, as the interval since the last formal valuation now exceeds four years, the valuation of the scheme liability as at 31st March 2014 is based on detailed membership data as at 31st March 2013 updated to 31st March 2014 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the scheme or the specific conditions that must be met before these benefits can be obtained:

On 1st April 2008 a new section of the NHS Pension Scheme was introduced for new members. Most members of the Pension Scheme prior to 1st April 2008 are in the 1995 section. New joiners on, or after, 1st April 2008 are members of the 2008 section. The changes introduced new rules for NHS employees joining from 1st April 2008 and modified the rules for those already in the pension scheme prior to this date.

The scheme is a "final salary" scheme. Members in the 1995 Section receive a pension worth 1/80th of the best of the last three year's pensionable pay for each year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon 1.4% of total pensionable earnings over the relevant pensionable service. Members in the 2008 Section receive a pension worth 1/60th of the average of the best three

consecutive years' pensionable pay in the last ten for each year of membership. Members who are practitioners, as defined by the Scheme Regulations have their annual pensions based upon 1.87% of total pensionable earnings over the relevant pensionable service.

With effect from 1st April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30th September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVCs run by the scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers. For the year to 30 September 2019 the employer contribution rate was 14.38% of pensionable pay with employee rates (before tax relief) varying between 5% and 13.5 %.

19. RELATED PARTY TRANSACTIONS

The Non-Executive Director Trustees were not paid or reimbursed any expenses in the current or preceding year. No Trustee received any emolument or payment for professional or other services. From November 2020 a joint Executive Team was formed between Birmingham St Mary's and John Taylor Hospices. On a monthly basis until the merger in August 2021, 50% of the related payroll costs were invoiced to Birmingham St Mary's Hospice.

20. FINANCIAL COMMITMENTS

Operating Lease Commitments Due to the merger increasing our charity shop portfolio to 20 units, as at 30th September 2021 the company had total commitments under non-cancellable operating leases as follows:

	2021	2020
	£	£
land and buildings:		
payable within 1 year	297,792	67,000
payable within 2 and 5 years	334,253	64,750
	<u>632,045</u>	<u>131,750</u>

21. DONATION OF CHARITABLE ASSETS

	2021
	£
Fixed Asset	3,812,373
Investments	3,770,020
Stock	6,615
Cash at Bank	2,374,567
Debtors	518,392
Creditors	(1,269,220)
Shares in TLC	5,100
	<u>9,217,847</u>

On the 1st August 2021 St Mary's Hospice Limited (Registered Company Number 01161308, Charity Number 503456) and St Mary's Hospice (Trading) Limited (Registered Company Number 02696641) transferred all assets and liabilities over to The Hospice Charity Partnership.