

**Francis House Family Trust
Company Limited by Guarantee**

Financial Statements

For the Year Ended

31 March 2022

Charity Number 328659

CHAMPION ACCOUNTANTS LLP

Chartered Accountants & Statutory Auditor

1 Worsley Court

High Street

Worsley

Manchester

M28 3NJ

Francis House Family Trust Company Limited by Guarantee

Financial Statements

Year Ended 31 March 2022

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Francis House Family Trust Company Limited by Guarantee

Members of the Board and Professional Advisers

Registered Charity Name	Francis House Family Trust	
Charity Number	328659	
Company Registration Number	02519173	
Registered Office	390 Parrswood Road Didsbury Manchester M20 5NA	
Trustees	Christopher Roberts (Chair) Martin Lochery Dr Susan Kirk Dr Susan O' Halloran Judith Amosi-Khodadad Charles Ledigo Vijay Srivastava Dr Andrew Taylor Jane Kempler Aysha Rangrez Dr Edward Gasiorowski Rev Joseph Carney	
Secretary	Rev David Ireland	
Auditor	Champion Accountants LLP Chartered Accountants & Statutory Auditor 1 Worsley Court High Street Worsley Manchester M28 3NJ	
Bankers	Yorkshire Bank The Chancery Spring Gardens Manchester M2 1YB	The Co-operative Bank P O Box 250 Skelmersdale WN8 6WT
Solicitors	Pearson Solicitors & Financial Advisors Ltd Hollinwood Business Centre Albert Street Oldham OL8 3QL	
Investment Advisors	Redmayne Bentley 3 Hardman Square Spinningfields Manchester M3 3EB	

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report

Year Ended 31 March 2022

The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

THE TRUSTEES

The Trustees who served the charity during the period were as follows:

Christopher Roberts (Chair)

Martin Lochery

Dr Susan Kirk

Dr Susan O' Halloran

Judith Amosi-Khodadad

Charles Ledigo

Michael Redfearn

(Resigned 7 October 2021)

Vijay Srivastava

Dr Andrew Taylor

Jane Kempler

Aysha Rangrez

Dr Edward Gasiorowski

Rev Joseph Carney

Trustees Recruitment and Appointment

Trustees are nominated by the existing Trustees. They retire by rotation every three years but may offer themselves for re-election.

Trustees are appointed with a view to providing a variety of skills, culture, age and gender.

New Trustees are appraised of the Philosophy of the Trust and are issued with an induction folder which includes the Charity Commission publications and guidance.

The Secretary to the Trustees arranges for individual induction sessions on commencement of appointment and for annual training sessions to which all Trustees are invited.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Francis House Family Trust is a Company Limited by Guarantee and does not have any share capital.

The Association is established for the purposes expressed in the Memorandum of Association dated 5 July 1990.

Trust Name

The Rainbow Family Trust was established in 1990 to build a children's hospice. On completion the building was named 'Francis House' to commemorate the sacrifice made by the Sisters of the Franciscan Mission of St. Joseph who gave up their convent to be converted into the Hospice.

In 2012 the Trust was registered under the new name of Francis House Family Trust at Companies House. The new name continues to highlight the fact that 'family' is at the centre of everything that we do as a Trust.

Organisational Structure and Management

The Trustees serve on the Council of Management who meet quarterly. A General Meeting is held annually.

General operational decisions are made by the Chief Executive Officer and Director of Care with reference to the following Trustees sub-committees.

Finance

Fundraising

Other sub-committees meet as required to assist with decision making relating to things such as ethical and medical matters (the Coronavirus COVID-19 Pandemic has meant that we have had to hold regular meetings of representatives of the Trustees and the Health and Administration professionals, to manage the emergency).

Terms of Reference

- i) Reserves policy decisions are a matter for the Trustees meeting.
- ii) Operational finance decisions are delegated to the Finance sub-committee.
- iii) All contracts relating to fundraising operations are to be referred to the Trustees.
- iv) Revenue decisions are to be delegated to the Finance sub-committee.
- v) All decisions which affect the legal, ethical or philosophical status of the Trust are to be referred to the Trustees Council of Management.

PUBLIC BENEFIT

The Trustees have ensured that they carry out the Trust's objects for the public benefit and have in accordance with section 17 Charities Act 2011 had regard to the guidance published by the Charity Commission on public benefit when exercising powers or duties where that may be relevant. Francis House continues to benefit children and young people with life limiting and threatening illnesses and provides support and short term care for their families. Our Achievements and Performance to date as set out in this report demonstrate our continued commitment to public service.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

OBJECTIVES AND ACTIVITIES

Francis House exists for the provision of appropriate respite care, emotional support and end of life care for children and young adults with life threatening or life limiting conditions and the support and care of their families.

Our philosophy comes from belief in the sanctity of life and the dignity of the individual. We aim to hear, respect and value every member of the family as individuals with their own needs. Care is available to families regardless of faith or cultural backgrounds. Our aim is to care for the sick young people and their families as they and their family wish. We care for young adults in the ways that they dictate or as is deemed in their best interest by the relevant advocate.

Physical, social, emotional and spiritual needs are considered necessary elements in our holistic care. One of our principle aims is to enable the young people to live life as fully as their conditions allow often helping them to fulfil dreams. Many of these dreams are experiences that most of us take for granted in our own lives but can be difficult to accomplish when coping with a serious physical condition.

Francis House together with the other Children's Hospices is at the forefront of specialist palliative care provision and symptom control. We care for young people with a wide range of complex and often undiagnosed conditions.

Unpaid Staff/Volunteers

Unpaid staff and volunteers have been essential to the establishment and operation of the Hospice. Volunteers have helped within the Fundraising Office in Francis House itself and in the shop. In addition, around the North West and beyond individuals and groups of volunteers volunteer to raise funds and inform the wider community about the charity.

Unfortunately, once again the year has been dominated by this highly contagious virus and we have had to close our retail outlet, suspend many fundraising events and stop volunteers from entering the Hospice environs. This has placed a great strain on our paid staff and has led to a review of our working practices. It is hoped that following the completion of the vaccination programme and containment of the virus that volunteers will be able to return to the Hospice and assist us in keeping revenue costs low. We are very thankful for the work of the many volunteers in the community who have helped us to continue to raise funds during this difficult time.

Staff

There are 52 full time equivalent members of the Care Team led by the Chief Executive and Director of Care. Qualifications include Registered Sick Children's Nurses, Registered General Nurses, Registered Learning Disability Nurses, Play Specialist, Occupational Therapist, Nursery Nurses, Teaching Assistants and Social Workers. To meet the ever increasing clinical complexity of the care we aim for 70% of the Care Team to be Registered Nurses, with a minimum of two years post qualification experience. Many of the Care Team have additional qualifications or role specific training in bereavement support, emotional support, palliative care and community nursing. Ancillary and Support staff include -

In House

1 Deputy to the CEO (who is also a solicitor)
2 Secretaries
2 Receptionists
2 Chefs
2 Maintenance
4 Domestic/Housekeeping
1 Gardener

Fundraising and Accounts

5 Fundraisers
1 Public Relations Officer
1 Bookkeeper
1 Bookkeeping Assistant
1 Shop Manager

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

The Trading Subsidiary which provides Residential Care with 24 hour nursing cover employs -

1 Registered Manager
1 House Lead (Social Worker)
8 Registered Nurses
1 Nurse Associate
13 Care Assistants (12 full time equivalent)

Since its inception Francis House has relied on the services of visiting General Practitioners who also have special interest in Paediatric Palliative Care. Since 1995 there have been four doctors who have shared the “on-call” duties and established a rota for daily visits. Three of the GP’s have worked for Francis House for many years and have accumulated extensive knowledge of the various and often complex paediatric conditions. In January 2020 the decision was taken to commence succession planning and also to increase the size of the team in order to cope with the increasing numbers of referrals. Since January 2022 and following retirement of two of the long serving Doctors we now have six visiting general practitioners who are coordinated by an experienced Doctor who has been with the Trust for 17 years.

During the pandemic the Doctors themselves established a “buddy” system, offering telephone (and in person) support for each other.

We now have two psychotherapists who work to provide support 3 days each week, for families and staff who have particular psychological and emotional needs (particularly where deep trauma has been experienced).

One psychotherapist provides additional bespoke specialised training to members of the Emotional Support and Sibling Support staff.

There is an Ordained Religious Minister on site five days a week and on call out of hours.

Our chefs cater for all dietary needs (both dietary and cultural) there are also facilities for families who wish to cook for themselves. The chefs work on a seven day rota, catering for lunch and evening meals.

Additional Services

2 groups provide support for siblings of sick children.

Seasons - supports brothers and sisters into their early teens

Shining Stars - provides bereavement support for brothers and sisters whose sibling has died

Emotional support is provided in three ways –

Bereavement support

Support for young adults who are struggling emotionally with their deteriorating conditions

Support for young people with complex needs unable to articulate their sadness

The Homecare Team provides support in the home and hospital and establishes first contact with families whose referral has been accepted.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Once again the year has been dominated by the COVID-19 pandemic. One of Francis House's greatest achievements has been the continuation of effective support for families through this frightening and difficult time. The Hospice has continued to provide Emergency Respite and End of Life Care throughout the crisis, adapting services to families needs during lockdowns and as Government guidelines changed.

This adapting has included remodelling of the premises and the sourcing and disposal of personal protective equipment. We have been able to keep our services operating because of the dedication of the Care Team and "skeleton" support staff, who placed themselves at risk in order to care for the sick young people and their families, working tirelessly in PPE, we thank them for their dedication. The Pandemic coincided with the retirement of the Registered Managers and Clinical Leads and a special mention should be made of the work of the new Registered Manager and Clinical Leads who have guided the Care Team through this testing period and maintained a high level of infection control and clinical excellence.

During the last two years over twenty staff have taken early retirement or left for personal reasons. It is to the Trusts credit that these staff have been replaced at a time when Registered Nurses are in short supply.

Support staff have gradually returned to work following furlough and the final ones returned in June 2021.

All staff have received their COVID-19 vaccinations (and all residents at 463 the Residential unit).

Maintenance and servicing of equipment has been extremely difficult during this time but has been managed in such a way as to maintain good infection control standards, when external contractors visited site.

The needs of families receiving End of Life Care and Support following the death of a young person has been very important during this time. Following the opening of the new Rainbow 2 mortuary suite and bereavement support office we have been able to care for families without them having to access other parts of the hospice.

We continue to recruit new Care Team members and especially experienced Registered Nurses. We have also appointed our first Nurse Associate to the Care Team at the Residential unit "463".

We have continued to adapt services to cope with the changing situation with the Omicron variant of COVID-19.

We stopped barrier nursing in April 2021 and the hospice began to be more open for the young people (unless COVID-19 symptoms were presented). We also began to open up Francis House to whole families rather than just the sick children with only one family at a time during April and moving to more than one family in May 2021.

Seasons, Shining Stars and Bereaved Parent Support groups recommenced during the year.

Staff shortages have meant that we are only able to open seven bedrooms for planned respite stays (which equates to an average of 8 nights per year per young person on roll). We continue to recruit and hope to have 10 bedrooms available by the end of 2022.

The Homecare Team continues to be busy and we have recruited to replace Care Team staff who have retired and continue in our bid to expand the team. The aim is eventually to be able to provide overnight support for children at End of Life in their own homes, if their family wishes.

Public Relations have been managed remotely but effectively during the Pandemic and the PR officer has accessed the hospice one week per month since January 2022. We have continued to employ an external Digital Marketing Consultant to act as Digital Marketing Assistant - on line activities have been essential during the Pandemic.

We have continued to work with external consultants to comply with -
The General Data Protection Regulations
Health and Safety Legislation

The upgrading of specialist equipment continues to be a priority. We have purchased three high sided beds to replace our ten year old beds. We have also purchased a new high sided cot bed for teenagers/young adults.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

Work on the hydrotherapy pool commenced in February once the pool ceased to act as our PPE store, and work is ongoing.

We have purchased two new minibuses which are undergoing adaptation and are due for delivery in August 2022.

We have finally been able to rent new shop premises for the charity shop, the lease was signed in January 2022 and a “pop up” shop was instigated.

The shop is currently being refurbished free of charge by our loyal team of building contractors (we plan to reopen in May 2022).

Last year the Trust purchased two semi-detached premises, following receipt of planning permission work began to convert the properties to provide residential accommodation for young people over the age of sixteen with extreme complex conditions whose parents are unable to care for them fully. This will be managed by our Trading Subsidiary Francis House Families Ltd.

Fundraising events are beginning to return “in person” and the three fundraisers and two events organisers are working hard to reinstate our normal programme of events and investigate new fundraising strategies.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

FINANCIAL REVIEW INVESTMENT PORTFOLIO

The Trust continues to use the services of Redmayne Bentley as our Investment Managers.

The Trust has two funds in its portfolio –
The Main Francis House Family Trust Fund
The Millennium Fund

The intention of the Trustees is to consolidate the two funds in the near future.

During the last 12 months the Francis House Family Trust fund has fallen by 0.17% compared to a rise of 1.68% in the benchmark (which is the ARC Steady Growth Private Client Index).
During the period the portfolio has generated income of £396,162.

The Francis House Millennium Fund has risen by 0.75% compared to a rise of 1.6% in the Benchmark.
During the period the portfolio has generated an income of £189,154.

The Trust funds carry a cash reserve. We have need to keep some cash uninvested to manage our various capital projects and the expansion and development of services in addition to assisting with cashflow difficulties resulting from the inability to fund raise properly due to the Pandemic. Current instructions to the Portfolio manager are to keep £500,000 cash in reserve.

RESERVES POLICY

The reserves held at 31 March 2022 amounted to £23,157,244.

The Trustees believe that the level of reserves are required to honour their commitment to care for the children that they look after for the duration of their lives. Over recent years advances in medical science have extended the lives increasing the funding needed to meet those commitments and in order to meet those funding requirements they have approved the following revised reserves policy.

The Trustees feel that it is prudent to target a minimum level of free unrestricted reserves sufficient to cover the full operating costs of the hospice for at least two years.

A large percentage of the funds raised are by way of donations, fundraising and legacies which cannot be relied upon, the last couple of years have seen a reduction in fund raising events due to the Pandemic. Government funding forms a smaller percentage of the overall funds raised but is not guaranteed in the long term.

Although costs have stayed under control the Charity will over the next few years see larger increases in staff costs due to wage inflation, having to offer competitive packages to help recruitment and increase in numbers to ensure that the Hospice and all of the services it offers are run at full capacity.

The Trustees believe further reserves should be maintained to guard against the uncertainties facing the Hospice as outlined above. They consider one years running costs anticipated to be circa £8,000,000 pa by 2024 to be an appropriate level of reserves.

There are also plans for significant capital expenditure over the next few years in order to maintain and extend the services offered by the Hospice. Specifically, the conversion of Barcroft Road in the next 12 months. The Trustees also feel that a refurbishment reserve should be provided to ensure the Hospice facilities are maintained at the current high standard.

The free unrestricted reserves at 31 March 2022 amounted to £8,157,244 ensuring that we meet our policy of holding two years running costs.

**Francis House Family Trust
Company Limited by Guarantee**

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

Reserve note	
Deficit budget fund	£ 8,000,000
Specific capital expenditure fund	£ 2,000,000
Refurbishment fund	£ 5,000,000
Free reserves	<u>£ 8,157,244</u>
Total unrestricted designated funds	£23,157,244
Unrestricted tangible fixed assets	<u>£ 7,179,947</u>
Total reserves	<u>£30,337,191</u>

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

PLANS FOR FUTURE PERIODS

This report has been produced whilst the world has been dealing with the Coronavirus Pandemic. Whilst the situation is improving we are still having to operate in a restricted way in order to ensure the safety of the young people and families in our care. In addition the war in Ukraine and the accompanying economic crisis makes it difficult to plan for the long term future.

We must however continue to provide the valuable holistic care that is so necessary for the 603 families on our roll.

During the last year approximately 450 families have received some form of support from Francis House – this has included respite stays, emotional and psychological support, homecare and day care support, end of life care, telephone support and assistance with social, financial and legal problems. 145 Families have received in house respite care.

Whilst continuing to be extremely mindful of the special circumstances created by the Pandemic it is crucial that we return to providing services to help our families in the best way that we can within the limits of our resources both financial and personnel. For this reason the Trustees have commissioned two pieces of research –

- i) DJS Research Ltd to carry out a survey amongst the families on roll to determine what services are most useful to them.
- ii) Establishment Genie have been appointed to use their workforce management tool to ensure that our workforce planning strategy is such as to eliminate inefficiency.

It continues to be our aim to provide a minimum of 14 nights respite care per family per year however this equates to having 14 bedrooms available, with the current realistic levels of recruitment we hope to open 10 bedrooms by the end of 2022 this equates to an average 10 planned nights respite stays per year, per family.

We have increased the number of staff working on the Homecare Team however we wish to increase the numbers to three full time equivalents during the coming year. The Care Team work two shifts on Homecare and two/three shifts on the Care Team.

We aim to be able to offer unsociable hours payments to Care Team working nights and weekends in order to compete with the NHS in recruitment.

Upgrading of equipment continues to be a priority, during the coming year we hope to –

Replace the tubs on the two specialist baths in Francis House.

Replace our syringe drivers. In addition we hope to –

Bring into service the new adapted minibuses.

Replace the shop delivery van.

Replace the two Homecare vehicles.

Following completion of refurbishment and adaptation of our new property, establish a new care team and open the House to its six new residents.

Open the new charity shop and welcome back the loyal team of volunteers who worked in the previous shop.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

FUNDRAISING AND PUBLIC RELATIONS

Our programme of fundraising events are beginning to increase as restrictions are lifted.
Since September 2021 we have been able to hold –

The successful Christmas Ball (reduced in numbers).
The Christmas Story event.
Memory Light Service.
Winter Wander Walk programme.
The Knitted Chick campaign.

Plans are in hand for –
Walks (including the Cheshire three peaks).
Runs – London Marathon and Manchester Runs.
A trek in Norway.

We continue to develop our use of social media and we have appointed an in house Digital Marketing Assistant.

We continue to monitor the effect of virtual online events.

The filming for the new video is nearing completion and we hope to launch this in August 2022.

We continue to investigate the ways in which technology and social media can assist and enhance both communications and fundraising.

We have reviewed our legacy publicity and we are in the process of establishing new networks with solicitors' offices.

We cannot sufficiently express our gratitude to the many people, loyal volunteers and dedicated donors who have continued to support us during this very difficult time.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

PRINCIPLE RISKS AND UNCERTAINTIES

All areas governing the health and safety of the children, young adults and families using Francis House and also of the staff and volunteers, are reviewed and a monitoring system is in place. Particular attention is given to major risks which would prevent or restrict us from achieving our objectives. These include:

Personnel
Employment legislation
Operational risks e.g., Fire, Intruders, Data Protection, IT Failure
Legal action
Funding failure
Economic cycle
Public image

In order to manage risks identified Francis House retains the services of:

Pearsons Solicitors who act as advisors on personnel and employment issues.
Redmayne Bentley are engaged to manage the charity's investments.

We retain the services of:

- a) Champion I.T. as specialists to advise and manage our I.T. systems
- b) Active Business Communications to advise and manage our land and mobile telephone systems
- c) Intelligent Controls advise on digital media systems and intelligent environmental controls
- d) Reason Digital who manage the website
- e) Ellis Whittam advises on all Health and Safety matters (The buildings are inspected regularly and maintained to a high standard throughout the year.)

CLINICAL RISKS

The Hospice is registered as an Independent Hospital and inspected as such by the Care Quality Commission. The Director of Care and the CEO are active participants in the Local Intelligence Network for Controlled Drugs. The Trust maintains professional indemnity insurance for all of the nurses in permanent employment.

RELATIONSHIPS WITH OTHER PARTIES

Every effort is made to work alongside other local healthcare providers, specialist hospitals, general practitioners, consultants, and community nursing teams. The Hospice participates in the North West Palliative Care Network. Specialist Consultants are invited to speak at the Doctors meetings.

Francis House has always tried to maintain good relationships with statutory providers. It is our aim to improve the referral process and to work closely with NHS providers for the greater good of the families.

Francis House maintains membership of: -

- i) Together for Short Lives - the national co-ordinator of children's palliative care services.
- ii) Hospice UK - the membership organisation for Adult and Children's Hospices.

The Chief Executive is an active participant in the informal group for CEO's of Children's Hospices in the North of England and the national group for Chief Executives of Children's Hospices.

The Director of Care and Clinical Leads are active participants in -

- i) Head of Care meetings for children's hospices in the North of England.
- ii) North West Palliative Care Network.
- iii) Executive Clinical Leads in Hospice & Palliative Care Group (Eclihp).

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

THE EFFECTS OF THE PANDEMIC ON FRANCIS HOUSE FAMILY TRUST

The ongoing COVID-19 pandemic has presented us with unique challenges. During the last year the Omicron variant has made things increasingly difficult as we began to plan for the lifting of restrictions.

The Trustees have given attention to the challenges and the impact that the virus has placed upon our vital work and have tried to plan for the long-term consequences.

We have looked at two significant areas –

- i) Operation and Service Provision
- ii) Financial Impact

i) Operation and Services

From April 2021 we have been able to open up services and reinstate planned respite stays and whole family visits though these have been limited and adapted in order to comply with the changing Government guidelines.

Furloughed members of both Care Team and Ancillary Staff resumed work according to a phased programme.

At the end of the year however the Omicron variant meant that twenty-six per cent of our Care Team were isolating because they had tested positive.

Reduced staff numbers meant that only seven beds were available for respite.

During the year we have been able to open up Francis Lodge again for use by the teenagers and young adults and one of the special suites (set up for people with Aerosol Generating Procedures) was returned to its normal use.

We have continued to provide –

- Social Emergency Respite
- Symptom Control
- End of Life Care
- Telephone Support
- Homecare

and have gradually reinstated our sibling and bereaved parent support groups.

In September we were able to hold an in-person Memory Day when large numbers of bereaved families attended.

We have continued to provide care for the seven young adults who are permanent residents in the house operated by our subsidiary company Francis House Families Ltd.

The Pandemic has had a significant effect on parents both in their physical and mental health. Our Emotional Support, Homecare and senior management have been very busy providing emotional support however we have also taken on the services of an additional psychotherapist.

Many of our young people have missed having necessary hospital procedures and their health has deteriorated as a result, emotional support has been critical for both them and their siblings.

The Trustees appointed a sub committee of Trustees and Professionals to guide the hospice through the constantly changing situation. The Pandemic Committee has continued to meet monthly.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

ii) Financial Impact

The last twelve months have been very difficult for the charity.

Though there was a continuing phased return of fundraisers following furlough, restrictions continued to affect the types of events which could take place.

Bequests continue to be taking a long time to be realised as actual funds. The housing market has slowed the sale of properties.

The increasing demand for our services even prior to the Pandemic already meant that the budget showed a planned deficit.

This year there has been a limited amount of government assistance we have ceased to benefit from the furlough scheme, many fundraising events have been cancelled.

The effect of the Pandemic followed by the war in Ukraine has had a significant effect on the worldwide economy and the stock markets this has resulted in a reduction in the valuation of the charity's investment portfolio

At the time of writing the report we have continued to provide capacity and financial information to NHS England though monthly grants have been limited and it has taken several months for grant money to be paid. This government assistance will cease in March 2022.

We have worked hard to reduce overhead costs whilst retaining and recruiting the staff who are vital to our service provision.

We have continued to benefit from the generosity of loyal supporters and the general public who have responded to our appeals.

We have completely overhauled our fundraising operation reducing overheads and staff costs whilst improving the use of technology and social media.

It is difficult to predict the operational and financial effect of the pandemic as we ease restrictions and return to normal operation however the Trustees have consulted with their professional advisers and believe that mitigations are already in place which will ensure a continuity of service to both existing and newly referred families in our care.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

THANK YOU

Francis House is only able to operate through the selfless dedication and commitment of many people.

We cannot express our gratitude enough to the staff who work in and around the Hospice, to our Consultants and Associates who bring their specialist skills to our assistance and of course to all of our loyal supporters. As this year closes we must particularly thank our Care Team and “skeleton” support team who have continued to work hard in very difficult circumstances supporting the young people and their families through the crisis.

Most of all we thank the young people and the families who use Francis House for their trust, their courage, their example and their zest for living life to the full – they are the reason that Francis House and Francis Lodge exist.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also the directors of Francis House Family Trust for the purposes of company law) are responsible for preparing the Trustees Annual 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 trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2022

AUDITOR

Champion Accountants LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Registered office:
390 Parrswood Road
Didsbury
Manchester
M20 5NA

Signed on behalf of the Trustees

Christopher Roberts (Chair)

6 October 2022

Francis House Family Trust Company Limited by Guarantee

Independent Auditor's Report to the Members of Francis House Family Trust

Year Ended 31 March 2022

OPINION

We have audited the financial statements of Francis House Family Trust (the 'parent entity') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Statement of Financial Position, the Trust's Statement of Financial Position, the Consolidated Statement of Cash Flows, the Trust's Statement of Cash Flows and the 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 Trust's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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 Trust 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 trust'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report, 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' Report have been prepared in accordance with applicable legal requirements.
-

Francis House Family Trust Company Limited by Guarantee

Independent Auditor's Report to the Members of Francis House Family Trust *(continued)*

Year Ended 31 March 2022

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report included within the Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the trustees are responsible for assessing the group's 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 either intend 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.

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The company did not inform us of any known, suspected or alleged fraud.
 - We obtained an understanding of the legal and regulatory frameworks applicable to the trust. We determined that the following were most relevant to the financial statements: Companies Act 2006, FRS 102 & guidance given by the Charity Commission for England & Wales; and those which do not have a direct effect on the financial statements, but compliance with which may be fundamental to the trust's ability to operate, which include regulations relating to the Care Quality Commission
 - We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
 - Using our knowledge of the company, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.
-

Francis House Family Trust Company Limited by Guarantee

Independent Auditor's Report to the Members of Francis House Family Trust *(continued)*

Year Ended 31 March 2022

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

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

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

USE OF THE AUDIT REPORT

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

M TURNER FCA (Senior Statutory Auditor)
For and on behalf of
CHAMPION ACCOUNTANTS LLP
Chartered Accountants & Statutory Auditor

6 October 2022

1 Worsley Court
High Street
Worsley
Manchester
M28 3NJ

**Francis House Family Trust
Company Limited by Guarantee**

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

Year Ended 31 March 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income and endowments					
Donations and legacies	4	2,037,269	231,631	2,268,900	2,616,286
Other trading activities	5	1,332,998	—	1,332,998	1,296,966
Investment income	6	584,721	—	584,721	532,916
Total income		<u>3,954,988</u>	<u>231,631</u>	<u>4,186,619</u>	<u>4,446,168</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	7	(344,272)	—	(344,272)	(364,797)
Costs of other trading activities	7	(47,677)	—	(47,677)	(46,470)
Expenditure on charitable activities	7	(4,560,937)	(161,831)	(4,722,768)	(4,578,769)
Total resources expended		<u>(4,952,886)</u>	<u>(161,831)</u>	<u>(5,114,717)</u>	<u>(4,990,036)</u>
Net gains / (losses) on investments	9	654,508	—	654,508	7,063,871
Net income / (deficit)		<u>(343,390)</u>	<u>69,800</u>	<u>(273,590)</u>	<u>6,520,003</u>
Net movement in funds		(343,390)	69,800	(273,590)	6,520,003
Reconciliation of funds					
Total funds brought forward		30,580,781	30,000	30,610,781	24,090,778
Transfer of funds		34,900	(34,900)	—	—
Total funds carried forward		<u>30,272,291</u>	<u>64,900</u>	<u>30,337,191</u>	<u>30,610,781</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All of the above amounts relate to continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 23 to 34 form part of these financial statements.

Francis House Family Trust Company Limited by Guarantee

Consolidated Statement of Financial Position

As at 31 March 2022

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed Assets					
Tangible assets	14	7,179,947	7,003,183	7,170,041	6,996,919
Investments	15	22,675,009	22,979,302	22,675,009	22,979,302
		<u>29,854,956</u>	<u>29,982,485</u>	<u>29,845,050</u>	<u>29,976,221</u>
Current Assets					
Debtors	16	412,018	374,003	406,146	517,051
Cash at bank and in hand		<u>384,670</u>	<u>525,842</u>	<u>367,072</u>	<u>365,798</u>
		796,688	899,845	773,218	882,849
Creditors: Amounts falling due within one year	17	<u>(314,453)</u>	<u>(271,549)</u>	<u>(281,814)</u>	<u>(248,385)</u>
Net Current Assets		482,235	628,296	491,404	634,464
Total Assets Less Current Liabilities		<u>30,337,</u>	<u>30,610,</u>	<u>30,336,45</u>	<u>30,610,68</u>
Net Assets		<u>30,337,</u>	<u>30,610,</u>	<u>30,336,45</u>	<u>30,610,68</u>
Funds of the Charity					
Restricted funds		64,900	30,000	€	3
Unrestricted funds		<u>30,272,</u>	<u>30,580,</u>	<u>30,271,55</u>	<u>30,580,68</u>
Total charity funds	21	<u>30,337,</u>	<u>30,610,</u>	<u>30,336,45</u>	<u>30,610,68</u>

These financial statements were approved by the members of the committee and authorised for issue on the 6 October 2022 and are signed on their behalf by:

.....
Christopher Roberts (Chair)

.....
Martin Lochery

Company Registration Number: 02519173

The notes on pages 23 to 34 form part of these financial statements.

**Francis House Family Trust
Company Limited by Guarantee**

**Consolidated Statement of Cash Flows
Year Ended 31 March 2022**

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash Flows from Operating Activities				
Net income / (deficit)	(273,590)	6,520,003	(274,231)	6,519,952
Depreciation	430,433	401,122	423,024	396,801
Net (gains) / losses on disposal of investments	(200,026)	(1,153,850)	(200,026)	(1,153,850)
Fair value (gains) / losses on investments	(454,482)	(5,910,021)	(454,482)	(5,910,021)
Income from investments	(584,721)	(532,916)	(584,721)	(532,916)
Net (gain) / loss on sale of tangible assets	45,974	663	45,974	663
<i>Changes in:</i>				
Trade and other debtors	(38,014)	21,748	110,905	(32,783)
Trade and other creditors	42,903	(47,550)	33,429	(42,555)
Net cash used in operating activities	(1,031,523)	(700,801)	(900,128)	(754,709)
Cash Flows from Investing Activities				
Dividends, interest and rents from investments	584,721	532,916	584,721	532,916
Purchase of tangible assets	(661,596)	(1,050,825)	(650,545)	(1,043,032)
Purchase of other investments	(2,873,085)	(3,292,789)	(2,873,085)	(3,292,789)
Proceeds from sale of tangible assets	8,425	—	8,425	—
Proceeds from sale of other investments	2,964,760	4,630,413	2,964,760	4,630,413
Net cash outflow / (inflow) from other liquid investments	867,126	(110,982)	867,126	(110,982)
Net cash from investing activities	<u>890,351</u>	<u>708,733</u>	<u>901,402</u>	<u>716,526</u>
Net increase / (decrease) in cash and cash equivalents	<u>(141,172)</u>	<u>7,932</u>	<u>1,274</u>	<u>(38,183)</u>
Cash in hand and at bank at the beginning of the year	<u>525,842</u>	<u>517,910</u>	<u>365,798</u>	<u>403,981</u>
Cash in hand and at bank at the end of the year	<u>384,670</u>	<u>525,842</u>	<u>367,072</u>	<u>365,798</u>

The notes on pages 23 to 34 form part of these financial statements.

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2022

1. GENERAL INFORMATION

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 390 Parrswood Road, Didsbury, Manchester, M20 5NA.

2. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared in accordance with the trust's governing document, the Companies Act 2006 and "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 1 January 2019)". The trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Francis House Family Trust and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2022

2. ACCOUNTING POLICIES *(continued)*

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as 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.

Donations received for restricted purposes are accounted for within restricted reserves. Once funds are expended for the specific purpose of the donation, the funds are transferred to unrestricted reserves

Resources Expended

Expenditure is accounted for when incurred.

All costs are directly attributable to specific activities.

Fund-raising costs include the salaries, direct expenditure and overhead costs of the staff in the fund-raising office. Costs in furtherance of the charitable objects represent the core costs of the charity including salaries and overheads.

Management and Administration costs represent costs incurred by finance and human resources attributable to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Charitable Funds

The general unrestricted fund comprises the accumulated surplus on the Statement of Financial Activities less funds designated for specific purposes. The restricted fund represents specific monies received by the Charity for the purpose of contributing towards the capital cost of the expansion work of the hospice and associated equipment.

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2022

2. ACCOUNTING POLICIES *(continued)*

Fixed assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold land and buildings	Straight line over 25 and 30 years
Improvements to property	Straight line over the term of the lease
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income / (expenditure) for the year. Transaction costs are expensed as incurred.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension costs

The group contributes to the NHS defined benefit superannuation scheme. This is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the group. In accordance with FRS 102 section 28 therefore, the scheme is accounted for as a defined contribution scheme. The group also contributes to defined contribution schemes for staff who are ineligible to join the NHS superannuation scheme at 5%. The assets of all schemes which the group contributes to are held separately from those of the group in independently administered funds. All contributions payable for the year are charged in the SOFA.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2022

2. ACCOUNTING POLICIES *(continued)*

Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

3. LIMITED BY GUARANTEE

Francis House Family Trust is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2022

4. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Donations				
Donations	361,156	105,400	466,556	467,465
Legacies				
Legacies	925,634	—	925,634	632,399
Grants				
Clinical Commissioning Group Grants	129,575	—	129,575	157,770
NHS England Hospice Grant	613,401	—	613,401	579,900
NHSE Covid-19 grant to provide bed capacity & community support	—	126,231	126,231	611,107
Coronavirus Job Retention Scheme	7,503	—	7,503	167,645
	<u>2,037,269</u>	<u>231,631</u>	<u>2,268,900</u>	<u>2,616,286</u>

5. OTHER CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Millennium fund	2,089	2,089	2,171
Fundraising events	515,286	515,286	507,711
Income from residential services	737,923	737,923	716,888
Shop income	2,132	2,132	7,392
Christmas cards	20,144	20,144	19,911
Easter chick appeal	33,446	33,446	27,852
Promotional goods	1,814	1,814	654
Festival of trees	20,164	20,164	14,387
	<u>1,332,998</u>	<u>1,332,998</u>	<u>1,296,966</u>

6. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income from listed investments	584,517	584,517	524,427
Income from cash investments	204	204	8,489
	<u>584,721</u>	<u>584,721</u>	<u>532,916</u>

**Francis House Family Trust
Company Limited by Guarantee**

Notes to the Financial Statements

Year Ended 31 March 2022

7. COSTS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Fundraising	Shop	Francis House	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Staff costs	216,325	25,164	2,775,440	3,016,929	2,991,388
Depreciation	—	—	430,433	430,433	401,122
Rent	—	5,052	123,690	128,742	129,158
Rates & water	—	419	36,533	36,952	37,102
Light and heat	—	—	56,730	56,730	50,858
Repairs & maintenance	—	3,081	46,822	49,903	35,630
Insurance	—	414	63,699	64,113	78,444
Motor vehicle expenses	1,172	—	12,365	13,537	17,026
Travel and accommodation	—	—	11,084	11,084	10,144
Consultancy	—	—	182,250	182,250	190,250
Telephone	—	—	25,622	25,622	24,943
Housekeeping	—	—	163,108	163,108	154,626
Staff training	—	—	3,622	3,622	14
Events	97,867	—	—	97,867	78,189
Printing, postage and stationery	28,908	—	—	28,908	36,529
Christmas cards	—	13,547	—	13,547	12,144
Loss on disposal of fixed asset	—	—	45,974	45,974	663
	<u>344,272</u>	<u>47,677</u>	<u>3,977,372</u>	<u>4,369,321</u>	<u>4,248,230</u>
Share of support costs (see note 8)	—	—	472,254	472,254	480,946
Share of governance costs (see note 8)	—	—	273,142	273,142	260,860
	<u>344,272</u>	<u>47,677</u>	<u>4,722,768</u>	<u>5,114,717</u>	<u>4,990,036</u>

8. ANALYSIS OF SUPPORT COSTS

	Support Costs	Governance Costs	Total Funds 2022	Total Funds 2021
	£	£	£	£
Staff costs	3	—	337,675	388,994
Premises	—	—	79,714	56,394
Communications and IT	—	32,343	32,343	30,418
General office	31,967	16,123	48,090	33,201
Printing, postage and stationery	22,898	—	22,898	18,846
Auditors fees	—	18,600	18,600	18,600
Legal and professional	—	80,496	80,496	55,455
Bank charges	—	6,168	6,168	5,564
Exchange (gains) and losses	—	—	—	22,215
Investment advice	—	119,412	119,412	112,119
	<u>472,254</u>	<u>273,142</u>	<u>745,396</u>	<u>741,806</u>

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2022

9. NET GAINS ON INVESTMENTS

	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Unrealised Gains/(losses) on listed investments	454,482	454,482	5,910,021
Gains/(losses) on disposal of investment assets	200,026	200,026	1,153,850
	<u>654,508</u>	<u>654,508</u>	<u>7,063,871</u>

10. NET INCOME

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	430,433	401,122
Foreign exchange differences	—	22,215
	<u>430,433</u>	<u>423,337</u>

11. AUDITORS REMUNERATION

The fees charged by the auditor can be further analysed under the following headings for services rendered:

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>18,600</u>	<u>18,600</u>
Fees payable to the trust's auditor and its associates for other services:		
Fees for accounting services	15,000	16,479
Fees for payroll services	1,470	1,290
Fees for IT services	6,000	5,400
	<u>22,470</u>	<u>23,169</u>

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2022

12. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2022 £	2021 £
Wages and salaries	2,853,211	2,865,468
Social security costs	274,973	276,263
Other pension costs	226,420	238,651
	<u>3,354,604</u>	<u>3,380,382</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2022 No	2021 No
Number of nursing and care staff	77	79
Number of fund-raising staff	6	6
Number of office and administration staff	18	18
	<u>101</u>	<u>103</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2022 No	2021 No
£60,000 to £69,999	2	1
£70,000 to £79,999	1	1
	<u>3</u>	<u>2</u>

13. TRUSTEE REMUNERATION AND EXPENSES

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees (or any persons connected with them).

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2022

14. TANGIBLE FIXED ASSETS

Group

	Improvements to buildings £	Freehold land & buildings £	Fixtures & fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2021	7,683,114	1,825,847	2,003,204	219,082	11,731,247
Additions	5,407	563,939	92,250	–	661,596
Disposals	(68,703)	–	(638,969)	(30,885)	(738,557)
At 31 March 2022	<u>7,619,818</u>	<u>2,389,786</u>	<u>1,456,485</u>	<u>188,197</u>	<u>11,654,286</u>
Depreciation					
At 1 April 2021	2,989,833	170,626	1,355,527	212,078	4,728,064
Charge for the year	258,784	67,641	102,328	1,680	430,433
Elimination on disposals	(46,886)	–	(607,109)	(30,163)	(684,158)
At 31 March 2022	<u>3,201,731</u>	<u>238,267</u>	<u>850,746</u>	<u>183,595</u>	<u>4,474,339</u>
Net Book Value					
At 31 March 2022	<u>4,418,087</u>	<u>2,151,519</u>	<u>605,739</u>	<u>4,602</u>	<u>7,179,947</u>
At 31 March 2021	<u>4,693,281</u>	<u>1,655,221</u>	<u>647,677</u>	<u>7,004</u>	<u>7,003,183</u>

Trust

	Improvements to buildings £	Freehold land & buildings £	Fixtures & fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2021	7,683,114	1,825,847	1,983,930	219,082	11,711,973
Additions	5,407	563,939	81,199	–	650,545
Disposals	(68,703)	–	(638,969)	(30,885)	(738,557)
At 31 March 2022	<u>7,619,818</u>	<u>2,389,786</u>	<u>1,426,160</u>	<u>188,197</u>	<u>11,623,961</u>
Depreciation					
At 1 April 2021	2,989,833	170,626	1,342,517	212,078	4,715,054
Charge for the year	258,784	67,641	94,919	1,680	423,024
Elimination on disposals	(46,886)	–	(607,109)	(30,163)	(684,158)
At 31 March 2022	<u>3,201,731</u>	<u>238,267</u>	<u>830,327</u>	<u>183,595</u>	<u>4,453,920</u>
Net Book Value					
At 31 March 2022	<u>4,418,087</u>	<u>2,151,519</u>	<u>595,833</u>	<u>4,602</u>	<u>7,170,041</u>
At 31 March 2021	<u>4,693,281</u>	<u>1,655,221</u>	<u>641,413</u>	<u>7,004</u>	<u>6,996,919</u>

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2022

15. INVESTMENTS

Movement in market value

	Cash or cash equivalents	Listed investments £	Total £
Cost or valuation			
At 1 April 2021	1,018,010	21,961,292	22,979,302
Additions	—	2,873,085	2,873,085
Disposals	—	(2,764,734)	(2,764,734)
Net gains / (losses) on revaluations in the year	—	454,482	454,482
Movement on cash held in the year	(867,126)	—	(867,126)
At 31 March 2022	<u>150,884</u>	<u>22,524,125</u>	<u>22,675,009</u>
Impairment			
At 1 April 2021 and 31 March 2022	—	—	—
Carrying amount			
At 31 March 2022	<u>150,884</u>	<u>22,524,125</u>	<u>22,675,009</u>
At 31 March 2021	1,018,010	21,961,292	22,979,302

All investments shown above are held at valuation.

Financial assets held at fair value

The fair value of investments is their market value as at the year end

16. DEBTORS

	Group 2022	Group 2021	Charity 2022 £	Charity 2021 £
Amounts owed by group undertakings	—	—	26,480	159,217
Other debtors	49,129	141,756	49,129	141,757
Prepayments	362,889	232,247	330,537	216,077
	<u>412,018</u>	<u>374,003</u>	<u>406,146</u>	<u>517,051</u>

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2022

17. CREDITORS: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	156,248	104,077	151,955	101,704
Taxation and social security	74,428	67,159	57,969	53,218
Other creditors	34,865	21,535	29,552	19,936
Accruals	48,912	78,778	42,338	73,527
	<u>314,453</u>	<u>271,549</u>	<u>281,814</u>	<u>248,385</u>

Included within accruals is an amount of £9,196 (2021: £11,044) relating to deferred income. This income relates to events which take place after the financial year end.

18. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Not later than 1 year	116,164	116,164
Later than 1 year and not later than 5 years	464,656	464,656
Later than 5 years	580,820	696,984
	<u>1,161,640</u>	<u>1,277,804</u>

19. PENSIONS AND OTHER POST RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £226,420 (2021: £238,651).

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2022

20. ANALYSIS OF CHARITABLE FUNDS

Restricted funds

	Balance at 1 Apr 2021	Net Income	Transfers	Balance at 31 Mar 2022
	£	£	£	£
Donated equipment Fund	30,000	69,800	(34,900)	64,900

Donations received for restricted purposes are accounted for within restricted reserves. Once funds are expensed for the specific purpose of the donation, the funds are transferred to unrestricted reserves

Unrestricted funds

	Balance at 1 Apr 2021	Incoming resources	Transfers	Balance at 31 Mar 2022
	£	£	£	£
General Funds	30,580,781	(343,390)	34,900	30,272,291

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total funds 2022
	£	£	£
Tangible fixed assets	7,179,947	—	7,179,947
Investments	22,675,009	—	22,675,009
Current Assets	731,788	64,900	796,688
Creditors less than 1 year	(314,453)	—	(314,453)
Total Funds	30,272,291	64,900	30,337,191

22. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	2022 £	2021 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	10,000	102,441
Financial instruments measured at fair value through profit and loss		
Financial instruments measured at fair value through profit and loss	22,524,125	21,961,292
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	(109,293)	(88,694)