

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

Financial Statements

For the Year Ended

31 March 2023

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 2023

| CONTENTS | PAGES |
|---|-----------------|
| Members of the Board and professional advisers | 1 |
| Trustees Annual Report | 2 to 16 |
| Independent Auditor's Report to the Members | 17 to 19 |
| Consolidated Statement of Financial Activities (Incorporating the income and expenditure account) | 20 |
| Consolidated Statement of Financial Position | 21 |
| Consolidated Statement of Cash Flows | 22 |
| Notes to the Financial Statements | 23 to 34 |

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 Eamonn O'Neal | |
| Secretary | Rev'd 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 2023

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 2023.

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
Vijay Srivastava
Dr Andrew Taylor
Jane Kempler
Aysha Rangrez
Dr Edward Gasiorowski
Rev Joseph Carney
Eamonn O'Neal (appointed 11 May 2023)

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 2023

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.

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 2023

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.

As we have begun to recover from the effects of the Covid crisis we have begun to reconnect with the volunteers who had been unable to come into the hospice or take part in support groups.

Many continued to assist with fundraising in the community during the crisis raising much needed funds. The charity shop reopened in 2022 in new premises and volunteers have returned to assist with the running of the shop and with various "pop-up" ventures. Volunteers have been of great assistance with the fundraising ventures particularly our Easter chick campaign, the Cheshire three peaks walk and the Ball. We have been glad to introduce some volunteers to assist with kitchen duties at weekends and on occasions such as Memory Day and Open Days. In addition volunteers from across the North West have continued to support us through their own fundraising activities and informing the wider community about the charity.

Staff

There are 43 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
1 Receptionist
1 Chef
1 Catering Assistant
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 2023

The Trading Subsidiary which provides Residential Care with 24 hour nursing care at 2 properties, 463 Parrswood Road and 92 Barcroft Road. There are currently -

1 Registered Manager
1 House Lead (Social Worker)
11 Registered Nurses
1 Nurse Associate
22 Care Assistants

There are 19 full time equivalent members of the Care Team at 463 and 15 full time equivalent members of the Care Team at 92.

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.

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 chef caters for all dietary needs (both dietary and cultural) there are also facilities for families who wish to cook for themselves. The chef and his assistant 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 2023

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Throughout the Pandemic Francis House has continued to provide support for the families under our care. During the year we have seen more and more of our families wanting to access in house respite and at the same time expand and develop our Homecare services.

Replacing Care staff who retired during the lockdown period has been a major concern and we have only been able to open six bedrooms for respite over the last year.

Training new staff in the particular skills needed for our work has been a major project and we are extremely grateful to our senior staff and particularly the two people on the Education Team for their unremitting work over the last year.

We have been fortunate in recruiting new members to the team and also staff at the new residential facility at 92 Barcroft Road which opened in February 2023.

Though the major restrictions of the Pandemic have been lifted, we have had ongoing problems with staff testing positive with the Omicron variant of COVID-19.

In April 2022 we introduced unsociable hours payments for Care Team members and improved the maternity benefits scheme. These two measures have greatly improved our ability to recruit new staff, particularly from the NHS.

Upgrading equipment has continued to be a priority. We have ordered new tubs for two of the specialist baths.

We have replaced our syringe drivers.

We have purchased two new specialist cot beds for use by children and young people who are hyperactive.

We have replaced two profiling beds.

We have purchased new adjustable over bed tables.

Research carried out by Manchester University has shown a need for us to develop Psychotherapy and emotional support – in order to implement this we have –

- i) Converted former storerooms and office to provide a reception and two soundproof consulting rooms.
- ii) Given specialist bespoke training to our bereavement support team and the Shining Stars team (who care for bereaved brothers and sisters).
- iii) Established a new group “Shooting Stars” which holds reunion groups for older bereaved siblings.
- iv) We are recruiting a qualified clinical supervisor who specialises in working with teenagers and young adults.

We have finally been able to bring into service the two new adapted minibuses. (The older minibus will be used by the residential facilities).

We have purchased a new van for the shop.

The new charity shop opened in May 2022 and is more suitable both as a retail outlet and regarding infection control measures.

Fundraising with our reduced team has begun to expand with highlights being –

The Easter chick campaign
A trek in Norway
Manchester and London Runs
The Festival of Christmas Trees
The Memory Lights and Christmas Story events

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2023

Our proposed in house Digital Marketing Assistant gave backword on the day that she was due to commence. Following problems with recruitment for this post we have enrolled one of our Fundraisers on a Digital Marketing course.

We completed our new information video.

In addition to the above the work to convert the new properties for use by our Trading Subsidiary Francis House Families Ltd. was completed. The building has been fully equipped and opened to residents in February 2023. This facility will house six residents who have extremely complex needs and whose parents are no longer able to provide twenty four hour care.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2023

FINANCIAL REVIEW INVESTMENT PORTFOLIO

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

During the last year the decision was taken to consolidate the two funds (the Francis House Family Trust Fund and the Millenium Fund).

During the last twelve months the fund has fallen by 8.97% compared to a fall of 4.74% in the benchmark (which is the ARC Steady Growth Private Client Index).

During the year the total portfolio has generated income of £503,062, giving a return of 2.75%.

The Trust fund carries a cash reserve. We have need to keep some cash uninvested to assist with cashflow and to manage our various capital projects. Current instructions to the Investment manager are to keep £500,000 cash in reserve.

RESERVES POLICY

The reserves held at 31 March 2023 amounted to £27,229,077

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 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 £6,000,000 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. 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 2023 amounted to £6,493,829.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2023

| | |
|-------------------------------------|--------------------|
| Reserve note | |
| Deficit budget fund | £ 8,000,000 |
| Refurbishment fund | £ 5,000,000 |
| Free reserves | <u>£ 6,493,829</u> |
| Total unrestricted designated funds | £19,493,829 |
| Unrestricted tangible fixed assets | <u>£ 7,735,248</u> |
| Total reserves | <u>£27,229,077</u> |

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2023

PLANS FOR FUTURE PERIODS

The report has been produced for a year that has seen our services still affected by the Pandemic.

Other similar services are operating at a much lower capacity than before the Pandemic.

Many of our young people have been unable to have necessary surgical procedures and they have higher clinical dependence as a result.

In addition the war in the Ukraine continues and the accompanying economic crisis (particularly regarding energy) make 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 564 families currently on our roll.

During the last year 382 families have received some form of support from Francis House – this has included respite stays, emotional and psychological support, homecare and daycare, end of life care, telephone support and assistance with social financial and legal problems. 147 families have received in house respite care.

We have commissioned two external reviews of our services –

- i) DJS Research Ltd. carried out a survey amongst the families to determine which services are most useful to them.
- ii) Establishment Genie used their workforce management tool to ensure that our workforce planning strategy is such as to eliminate inefficiency.

It continues to be our aim to offer a minimum of 14 nights respite to families on our roll each year, this equates to having 14 bedrooms available. The national shortage of nurses and care workers has meant that we can currently only offer 6/7 rooms.

Our plan is to continue to recruit care team members and we hope to open 9 bedrooms by March 2024.

We have continued to develop our Homecare Services (which includes Daycare visits to the Hospice).

We currently have two full time equivalent members of the Homecare team, one of whom recently completed a University masters level course on Principles of Palliative Care for Children and Young People (passing with a mark of 96%).

We also aim to recruit a play specialist to assist with activity preparation, freeing care team for their clinical duties. We also wish to recruit a dedicated Education Nurse.

Upgrading the Hospice Facilities and equipment is a priority.

We aim to move our Care Plans and Medical Records from paper to digital.

We will continue to upgrade profiling beds and mattresses.

Hopefully the order for the two new bath tubs for Francis House will mean delivery and installation during 2023.

The coming year will see the replacement of the boilers to Francis House, these will be more efficient and environmentally friendly (the current boilers were installed in 1991).

We continue to explore ways of funding new electric vehicles for the Homecare Team.

We will appoint a groundworker to our maintenance team.

Our trading subsidiary at 463 Parrswood Road will be decorated externally.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2023

FUNDRAISING AND PUBLIC RELATIONS

We continue to look at ways in which we can involve our communities in fundraising.

Post Pandemic our fundraising team remains small and our aim is to build on the number of voluntary groups working in their own communities to develop awareness. We are also recruiting new volunteer speakers to use in talking about Francis House to church and social groups.

We are continuing to build on our corporate support and we have been extremely grateful for the enthusiastic support of the Morrison Supermarket chain who have supported us through over 30 of their stores through a scheme in association with Together for Short Lives.

This next year our regular events will continue and will include -

The Cheshire three peaks walk.
The Knitted Chick campaign.
London Marathon and Manchester Runs.
Various Golf Days.
An event at Green's Vegetarian restaurant.
The Christmas Story and Memory Light services.
Christmas Ball.
Winter Wander programme.
The Festival of Christmas Trees
A Summer Draw

Plans are in place for a Trek over the Pyrenees in September 2024.

It is hoped that when our fundraiser who is training as a Digital Marketing Assistant is qualified a further fundraiser will be employed.

We continue to monitor the success of online and virtual events.
We are upgrading our website online donation platform.

During the coming year a book will be produced recording the History of Francis House Family Trust over the first 33 years.

Having reviewed our legacy material and established good networks with solicitors across the region we will hold our first "Will Week" this year.

We cannot sufficiently express our gratitude to the many people, loyal volunteers, dedicated donors and corporate sponsors who have continued to support us and helped us to maximise our services through a very difficult financial period.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2023

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) Babble 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) Citation 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 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).
- iv) Senior Staff and Doctors are encouraged to attend the events and training delivered by the Association of Paediatric Palliative Medicine.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2023

THE EFFECTS OF THE PANDEMIC ON FRANCIS HOUSE FAMILY TRUST

The effects of the COVID-19 Pandemic have been extensive for the Trust and for the families on the roll.

The Trustees have continued to address the challenges and impact that the virus has placed on 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

The two years of upheaval during the pandemic saw the early retirement and resignation of twenty six staff.

Though furloughed members of staff have resumed working, we are still experiencing absences because people have tested positive.

Recruitment of new staff has been a real challenge particularly that of Registered Nurses and experienced carers as the country is experiencing a national shortage of these professions.

Reduced staff numbers have meant that only 6/7 beds have been available for overnight respite stays.

In the last year we have been able to provide –

- Respite stays for whole families
- End of life care
- An increased amount of telephone support
- The Homecare team has expanded and developed the service
- We have reinstated our sibling and parent support groups

We held a memory day in April with 150 bereaved families attending.

We have continued to provide care for the seven young adults who are permanent residents in the house operated by our trading subsidiary Francis House Families Ltd. and we have opened a further six residential places for young adults with extremely complex needs.

The Pandemic and economic situation caused by the war in Ukraine has had a significant effect on the physical and mental health of parents. Our Emotional Support, Homecare team and Senior Management team have been very busy providing emotional support however we have also increased the hours of our two psychotherapists and instigated additional bespoke training for the Care Team particularly those working with the sibling support groups.

Many of our young people have missed necessary hospital procedures and their health has deteriorated as a result, emotional support has been critical for them and their siblings. We have interviewed and appointed a clinical supervisor who specializes in working with teenagers and young adults.

Our in house solicitor has continued to give help and support to parents particularly during the difficult economic situation.

During the year the Pandemic committee ceased to meet and operational decision making reverted to the Trustees and their Finance and Management sub-committee.

Francis House Family Trust Company Limited by Guarantee

Trustees Annual Report *(continued)*

Year Ended 31 March 2023

ii) Financial Impact

The last twelve months have been difficult for the charity.

Though fundraisers have all returned to work, public events have been slow to return to normal.

Bequests continue to take a long time to be realised as actual funds.

The increased costs of salaries, fuel and food have meant a significant rise in our operational expenses.

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

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.

Government COVID grants ceased in March 2022 though we have had a slight increase in our NHS England grant (however it is taking longer for grant money to be paid into our bank).

We have worked hard to keep overhead costs down whilst continuing to recruit 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.

It is difficult to forecast the effect of the Pandemic, the war in the Ukraine and the deteriorating Economic situation 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 2023

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.

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;
- 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 2023

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)

5 October 2023

Francis House Family Trust Company Limited by Guarantee

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

Year Ended 31 March 2023

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 2023 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 and Group's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 2023

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 2023

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

5 October 2023

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 2023

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2023 £ | Total Funds 2022 £ |
|---|------|----------------------------|-----------------------|--------------------------|--------------------------|
| Income and endowments | | | | | |
| Donations and legacies | 4 | 3,251,459 | 28,440 | 3,279,899 | 2,268,900 |
| Other trading activities | 5 | 1,468,869 | – | 1,468,869 | 1,332,998 |
| Investment income | 6 | 572,738 | – | 572,738 | 584,721 |
| Total income | | <u>5,293,066</u> | <u>28,440</u> | <u>5,321,506</u> | <u>4,186,619</u> |
| Expenditure | | | | | |
| Expenditure on raising funds: | | | | | |
| Costs of raising donations and legacies | 7 | (423,378) | – | (423,378) | (344,272) |
| Costs of other trading activities | 7 | (70,338) | – | (70,338) | (47,677) |
| Expenditure on charitable activities | 7 | (5,499,683) | (21,900) | (5,521,583) | (4,722,768) |
| Total resources expended | | <u>(5,993,399)</u> | <u>(21,900)</u> | <u>(6,015,299)</u> | <u>(5,114,717)</u> |
| Net gains / (losses) on investments | 9 | (2,414,321) | – | (2,414,321) | 654,508 |
| Net income / (deficit) | | <u>(3,114,654)</u> | <u>6,540</u> | <u>(3,108,114)</u> | <u>(273,590)</u> |
| Net movement in funds | | (3,114,654) | 6,540 | (3,108,114) | (273,590) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 30,272,291 | 64,900 | 30,337,191 | 30,610,781 |
| Transfer of funds | | 64,900 | (64,900) | – | – |
| Total funds carried forward | | <u>27,222,537</u> | <u>6,540</u> | <u>27,229,077</u> | <u>30,337,191</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 2023

| | Note | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|---|------|--------------------|--------------------|----------------------|----------------------|
| Fixed Assets | | | | | |
| Tangible assets | 14 | 7,735,248 | 7,179,947 | 7,726,438 | 7,170,041 |
| Investments | 15 | 18,679,516 | 22,675,009 | 18,679,516 | 22,675,009 |
| | | <u>26,414,764</u> | <u>29,854,956</u> | <u>26,405,954</u> | <u>29,845,050</u> |
| Current Assets | | | | | |
| Debtors | 16 | 319,178 | 412,018 | 299,086 | 406,146 |
| Cash at bank and in hand | | 795,774 | 384,670 | 786,923 | 367,072 |
| | | <u>1,114,952</u> | <u>796,688</u> | <u>1,086,009</u> | <u>773,218</u> |
| Creditors: Amounts falling due within one year | 17 | <u>(300,639)</u> | <u>(314,453)</u> | <u>(263,866)</u> | <u>(281,814)</u> |
| Net Current Assets | | 814,313 | 482,235 | 822,143 | 491,404 |
| Total Assets Less Current Liabilities | | <u>27,229,077</u> | <u>30,337,191</u> | <u>27,228,097</u> | <u>30,336,454</u> |
| Net Assets | | <u>27,229,077</u> | <u>30,337,191</u> | <u>27,228,097</u> | <u>30,336,454</u> |
| Funds of the Charity | | | | | |
| Restricted funds | | 6,540 | 64,900 | 6,540 | 64,900 |
| Unrestricted funds | | 27,222,537 | 30,272,291 | 27,221,557 | 30,271,554 |
| Total charity funds | 21 | <u>27,229,077</u> | <u>30,337,191</u> | <u>27,228,097</u> | <u>30,336,454</u> |

These financial statements were approved by the members of the committee and authorised for issue on the 5 October 2023 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 2023

| | Group 2023 | Group 2022 | Charity 2023 | Charity 2022 |
|---|-----------------------|------------------|-------------------------|-----------------|
| | £ | £ | £ | £ |
| Cash Flows from Operating Activities | | | | |
| Net income / (deficit) | (3,108,114) | (273,590) | (3,108,357) | (274,231) |
| Depreciation | 471,044 | 430,433 | 461,305 | 423,024 |
| Net (gains) / losses on disposal of investments | 429,079 | (200,026) | 429,079 | (200,026) |
| Fair value (gains) / losses on investments | 1,985,242 | (454,482) | 1,985,242 | (454,482) |
| Income from investments | (572,738) | (584,721) | (572,738) | (584,721) |
| Net (gain) / loss on sale of tangible assets | 22,370 | 45,974 | 22,370 | 45,974 |
| <i>Changes in:</i> | | | | |
| Trade and other debtors | 92,840 | (38,014) | 107,060 | 110,905 |
| Trade and other creditors | (13,814) | 42,903 | (17,948) | 33,429 |
| Net cash used in operating activities | (694,091) | (1,031,523) | (693,987) | (900,128) |
| Cash Flows from Investing Activities | | | | |
| Dividends, interest and rents from investments | 572,738 | 584,721 | 572,738 | 584,721 |
| Purchase of tangible assets | (1,049,215) | (661,596) | (1,040,572) | (650,545) |
| Purchase of other investments | (4,744,952) | (2,873,085) | (4,744,952) | (2,873,085) |
| Proceeds from sale of tangible assets | 500 | 8,425 | 500 | 8,425 |
| Proceeds from sale of other investments | 6,345,767 | 2,964,760 | 6,345,767 | 2,964,760 |
| Net cash outflow / (inflow) from other liquid investments | (19,643) | 867,126 | (19,643) | 867,126 |
| Net cash from investing activities | <u>1,105,195</u> | <u>890,351</u> | <u>1,113,838</u> | <u>901,402</u> |
| Net increase / (decrease) in cash and cash equivalents | <u>411,104</u> | <u>(141,172)</u> | <u>419,851</u> | <u>1,274</u> |
| Cash in hand and at bank at the beginning of the year | <u>384,670</u> | <u>525,842</u> | <u>367,072</u> | <u>365,798</u> |
| Cash in hand and at bank at the end of the year | <u>795,774</u> | <u>384,670</u> | <u>786,923</u> | <u>367,072</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 2023

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 2023. 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 2023

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 expensed 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 2023

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 2023

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 2023

4. DONATIONS AND LEGACIES

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2023 £ | Total Funds 2022 £ |
|---|----------------------------|--------------------------|--------------------------|--------------------------|
| Donations | | | | |
| Donations | 343,701 | 28,440 | 372,141 | 466,556 |
| Legacies | | | | |
| Legacies | 1,985,457 | – | 1,985,457 | 925,634 |
| Grants | | | | |
| Clinical Commissioning Group Grants | 130,790 | – | 130,790 | 129,575 |
| NHS England Hospice Grant | 791,511 | – | 791,511 | 613,401 |
| NHSE Covid-19 grant to provide bed capacity & community support | – | – | – | 126,231 |
| Coronavirus Job Retention Scheme | – | – | – | 7,503 |
| | <u>3,251,459</u> | <u>28,440</u> | <u>3,279,899</u> | <u>2,268,900</u> |

5. OTHER CHARITABLE ACTIVITIES

| | Unrestricted Funds £ | Total Funds 2023 £ | Total Funds 2022 £ |
|----------------------------------|----------------------------|--------------------------|--------------------------|
| Millennium fund | 1,882 | 1,882 | 2,089 |
| Fundraising events | 599,258 | 599,258 | 515,286 |
| Income from residential services | 702,139 | 702,139 | 737,923 |
| Shop income | 63,581 | 63,581 | 2,132 |
| Christmas cards | 18,883 | 18,883 | 20,144 |
| Easter chick appeal | 54,380 | 54,380 | 33,446 |
| Promotional goods | 1,723 | 1,723 | 1,814 |
| Festival of trees | 27,023 | 27,023 | 20,164 |
| | <u>1,468,869</u> | <u>1,468,869</u> | <u>1,332,998</u> |

6. INVESTMENT INCOME

| | Unrestricted Funds £ | Total Funds 2023 £ | Total Funds 2022 £ |
|--------------------------------|----------------------------|--------------------------|--------------------------|
| Income from listed investments | 572,534 | 572,534 | 584,517 |
| Income from cash investments | 204 | 204 | 204 |
| | <u>572,738</u> | <u>572,738</u> | <u>584,721</u> |

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2023

7. COSTS OF EXPENDITURE ON CHARITABLE ACTIVITIES

| | Fundraising | Shop | Francis House | Total Funds 2023 | Total Funds 2022 |
|--|----------------|---------------|------------------|---------------------|---------------------|
| | £ | £ | £ | £ | £ |
| Staff costs | 231,395 | 27,063 | 3,236,129 | 3,494,587 | 3,016,929 |
| Depreciation | – | – | 471,044 | 471,044 | 430,433 |
| Rent | – | 16,995 | 138,791 | 155,786 | 128,742 |
| Rates & water | – | 5,656 | 28,203 | 33,859 | 36,952 |
| Light and heat | – | – | 234,462 | 234,462 | 56,730 |
| Repairs & maintenance | – | 4,842 | 55,988 | 60,830 | 49,903 |
| Insurance | – | 1,074 | 50,667 | 51,741 | 64,113 |
| Motor vehicle expenses | 1,721 | 1,049 | 22,635 | 25,405 | 13,537 |
| Travel and accommodation | – | – | 15,160 | 15,160 | 11,084 |
| Consultancy | – | – | 180,184 | 180,184 | 182,250 |
| Telephone | – | – | 26,143 | 26,143 | 25,622 |
| Housekeeping | – | – | 208,336 | 208,336 | 163,108 |
| Staff training | – | – | 7,424 | 7,424 | 3,622 |
| Staff recruitment | – | – | 31,423 | 31,423 | – |
| Events | 168,710 | – | – | 168,710 | 97,867 |
| Printing, postage and stationery | 21,552 | – | – | 21,552 | 28,908 |
| Christmas cards | – | 13,659 | – | 13,659 | 13,547 |
| Loss on disposal of fixed asset | – | – | 22,370 | 22,370 | 45,974 |
| | <u>423,378</u> | <u>70,338</u> | <u>4,728,959</u> | <u>5,222,675</u> | <u>4,369,321</u> |
| Share of support costs (see note 8) | – | – | 507,016 | 507,016 | 472,254 |
| Share of governance costs (see note 8) | – | – | 285,608 | 285,608 | 273,142 |
| | <u>423,378</u> | <u>70,338</u> | <u>5,521,583</u> | <u>6,015,299</u> | <u>5,114,717</u> |

8. ANALYSIS OF SUPPORT COSTS

| | Support Costs | Governance Costs | Total Funds 2023 | Total Funds 2022 |
|----------------------------------|------------------|---------------------|---------------------|---------------------|
| | £ | £ | £ | £ |
| Staff costs | 360,024 | – | 360,024 | 337,675 |
| Premises | 92,642 | – | 92,642 | 79,714 |
| Communications and IT | – | 40,154 | 40,154 | 32,343 |
| General office | 30,711 | 21,983 | 52,694 | 48,090 |
| Printing, postage and stationery | 23,639 | – | 23,639 | 22,898 |
| Auditors fees | – | 18,600 | 18,600 | 18,600 |
| Legal and professional | – | 93,122 | 93,122 | 80,496 |
| Bank charges | – | 8,306 | 8,306 | 6,168 |
| Investment advice | – | 103,443 | 103,443 | 119,412 |
| | <u>507,016</u> | <u>285,608</u> | <u>792,624</u> | <u>745,396</u> |

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

Notes to the Financial Statements

Year Ended 31 March 2023

9. NET GAINS ON INVESTMENTS

| | Unrestricted Funds £ | Total Funds 2023 £ | Total Funds 2022 £ |
|---|-------------------------------------|-----------------------------------|--------------------------|
| Unrealised Gains/(losses) on listed investments | (1,985,242) | (1,985,242) | 454,482 |
| Gains/(losses) on disposal of investment assets | <u>(429,079)</u> | <u>(429,079)</u> | <u>200,026</u> |
| | <u>(2,414,321)</u> | <u>(2,414,321)</u> | <u>654,508</u> |

10. NET INCOME

Net income is stated after charging/(crediting):

| | 2023 £ | 2022 £ |
|---------------------------------------|-------------------|----------------|
| Depreciation of tangible fixed assets | 471,044 | 430,433 |
| Foreign exchange differences | — | — |
| | <u>471,044</u> | <u>430,433</u> |

11. AUDITORS REMUNERATION

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

| | 2023 £ | 2022 £ |
|--|-------------------|---------------|
| 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 | 15,000 |
| Fees for payroll services | 1,290 | 1,470 |
| Fees for IT services | 7,800 | 6,000 |
| | <u>24,090</u> | <u>22,470</u> |

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2023

12. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

| | 2023 | 2022 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 3,260,408 | 2,853,211 |
| Social security costs | 337,914 | 274,973 |
| Other pension costs | 256,289 | 226,420 |
| | <u>3,854,611</u> | <u>3,354,604</u> |

Particulars of employees:

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

| | 2023 | 2022 |
|---|------------|------------|
| | No | No |
| Number of nursing and care staff | 80 | 77 |
| Number of fund-raising staff | 5 | 6 |
| Number of office and administration staff | 18 | 18 |
| | <u>103</u> | <u>101</u> |

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

| | 2023 | 2022 |
|--------------------|----------|----------|
| | No | No |
| £60,000 to £69,999 | 1 | 2 |
| £70,000 to £79,999 | 1 | - |
| £80,000 to £89,999 | 1 | 1 |
| | <u>3</u> | <u>3</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 2023

14. TANGIBLE FIXED ASSETS

Group

| | Improvements to buildings £ | Freehold land & buildings £ | Fixtures & fittings £ | Motor vehicles £ | Total £ |
|--------------------------|--|--|--|-----------------------------|--------------------|
| Cost | | | | | |
| At 1 April 2022 | 7,619,818 | 2,389,786 | 1,456,485 | 188,197 | 11,654,286 |
| Additions | 2,959 | 806,535 | 146,393 | 93,328 | 1,049,215 |
| Disposals | (31,070) | – | (89,005) | (7,910) | (127,985) |
| At 31 March 2023 | 7,591,707 | 3,196,321 | 1,513,873 | 273,615 | 12,575,516 |
| Depreciation | | | | | |
| At 1 April 2022 | 3,201,731 | 238,267 | 850,746 | 183,595 | 4,474,339 |
| Charge for the year | 256,623 | 97,818 | 102,359 | 14,244 | 471,044 |
| Elimination on disposals | (18,368) | – | (78,884) | (7,863) | (105,115) |
| At 31 March 2023 | 3,439,986 | 336,085 | 874,221 | 189,976 | 4,840,268 |
| Net Book Value | | | | | |
| At 31 March 2023 | 4,151,721 | 2,860,236 | 639,652 | 83,639 | 7,735,248 |
| At 31 March 2022 | 4,418,087 | 2,151,519 | 605,739 | 4,602 | 7,179,947 |

Charity

| | Improvements to buildings £ | Freehold land & buildings £ | Fixtures & fittings £ | Motor vehicles £ | Total £ |
|--------------------------|--|--|--|-----------------------------|--------------------|
| Cost | | | | | |
| At 1 April 2022 | 7,619,818 | 2,389,786 | 1,426,160 | 188,197 | 11,623,961 |
| Additions | 2,959 | 806,535 | 137,750 | 93,328 | 1,040,572 |
| Disposals | (31,070) | – | (89,005) | (7,910) | (127,985) |
| At 31 March 2023 | 7,591,707 | 3,196,321 | 1,474,905 | 273,615 | 12,536,548 |
| Depreciation | | | | | |
| At 1 April 2022 | 3,201,731 | 238,267 | 830,327 | 183,595 | 4,453,920 |
| Charge for the year | 256,623 | 97,818 | 92,620 | 14,244 | 461,305 |
| Elimination on disposals | (18,368) | – | (78,884) | (7,863) | (105,115) |
| At 31 March 2023 | 3,439,986 | 336,085 | 844,063 | 189,976 | 4,810,110 |
| Net Book Value | | | | | |
| At 31 March 2023 | 4,151,721 | 2,860,236 | 630,842 | 83,639 | 7,726,438 |
| At 31 March 2022 | 4,418,087 | 2,151,519 | 595,833 | 4,602 | 7,170,041 |

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2023

15. INVESTMENTS

Movement in market value

| | Cash or cash equivalents | Listed investments £ | Total £ |
|--|-----------------------------|----------------------------|-------------------|
| Cost or valuation | | | |
| At 1 April 2022 | 150,884 | 22,524,125 | 22,675,009 |
| Additions | – | 4,744,952 | 4,744,952 |
| Disposals | – | (6,774,846) | (6,774,846) |
| Net gains / (losses) on revaluations in the year | – | (1,985,242) | (1,985,242) |
| Movement on cash held in the year | 19,643 | – | 19,643 |
| At 31 March 2023 | <u>170,527</u> | <u>18,508,989</u> | <u>18,679,516</u> |
| Impairment | | | |
| At 1 April 2022 and 31 March 2023 | – | – | – |
| Carrying amount | | | |
| At 31 March 2023 | <u>170,527</u> | <u>18,508,989</u> | <u>18,679,516</u> |
| At 31 March 2022 | 150,884 | 22,524,125 | 22,675,009 |

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 2023 | Group 2022 | Charity 2023 £ | Charity 2022 £ |
|------------------------------------|-----------------------------|----------------|------------------------------------|----------------------|
| Amounts owed by group undertakings | – | – | – | 26,480 |
| Other debtors | 63,274 | 49,129 | 63,274 | 49,129 |
| Prepayments | 255,904 | 362,889 | 235,812 | 330,537 |
| | <u>319,178</u> | <u>412,018</u> | <u>299,086</u> | <u>406,146</u> |

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2023

17. CREDITORS: Amounts falling due within one year

| | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------|
| Trade creditors | 96,700 | 156,248 | 92,962 | 151,955 |
| Taxation and social security | 80,334 | 74,428 | 60,208 | 57,969 |
| Other creditors | 35,159 | 34,865 | 30,207 | 29,552 |
| Amounts owed by group undertakings | – | – | 9,752 | – |
| Accruals | 88,446 | 48,912 | 70,737 | 42,338 |
| | <u>300,639</u> | <u>314,453</u> | <u>263,866</u> | <u>281,814</u> |

Included within accruals is an amount of £8,365 (2022: £9,196) 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:

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Not later than 1 year | 150,544 | 131,972 |
| Later than 1 year and not later than 5 years | 602,176 | 527,888 |
| Later than 5 years | 602,176 | 659,860 |
| | <u>1,354,896</u> | <u>1,319,720</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 £256,289 (2022: £226,420).

Francis House Family Trust Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2023

20. ANALYSIS OF CHARITABLE FUNDS

Restricted funds

| | Balance at 1 Apr 2022 £ | Net Income £ | Transfers £ | Balance at 31 Mar 2023 £ |
|------------------------|-------------------------------|-----------------|----------------|--------------------------------|
| Donated equipment Fund | 64,900 | 6,540 | (64,900) | 6,540 |

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

Unrestricted funds

| | Balance at 1 Apr 2022 £ | Incoming resources £ | Transfers £ | Balance at 31 Mar 2023 £ |
|---------------|-------------------------------|----------------------------|----------------|--------------------------------|
| General Funds | 30,272,291 | (3,114,654) | 64,900 | 27,222,537 |

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds £ | Restricted funds £ | Total funds 2023 £ |
|----------------------------|----------------------------|--------------------------|--------------------------|
| Tangible fixed assets | 7,735,248 | – | 7,735,248 |
| Investments | 18,679,516 | – | 18,679,516 |
| Current Assets | 1,108,412 | 6,540 | 1,114,952 |
| Creditors less than 1 year | (300,639) | – | (300,639) |
| Total Funds | <u>27,222,537</u> | <u>6,540</u> | <u>27,229,077</u> |

22. FINANCIAL INSTRUMENTS

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

| | 2023 £ | 2022 £ |
|--|------------|------------|
| Financial assets that are debt instruments measured at amortised cost | | |
| Financial assets that are debt instruments measured at amortised cost | 10,170 | 10,000 |
| Financial instruments measured at fair value through profit and loss | | |
| Financial instruments measured at fair value through profit and loss | 18,508,989 | 22,524,125 |
| Financial liabilities measured at amortised cost | | |
| Financial liabilities measured at amortised cost | (115,493) | (109,293) |