



Report and Financial Statements

For the year ended
31 March 2023

Company Registration No: 02773867 Charity Registration No: 1015941

Contents

Reference and administrative information	3
Leadership Team	4
Board of Trustees	5
Trustees' Report	6
Statement from the Chair of the Board of Trustees and the Chief Executive	7
Strategic Highlights	8-9
Patient Story	10
Strategic Report	11
The Year Under Review	12-16
Looking Ahead	17
Financial Review	18-21
Structure, Governance and Management	22-24
Independent auditor's report	25-27
Trustees' Responsibilities Statement	28
Consolidated statement of financial activities	29
Balance Sheets	30
Consolidated cash flow statement	31
Statement of accounting policies	32-35
Notes to the group financial statements	36-47

Reference and administrative information

Charity Name

St Gemma's Hospice

Charity Registration Number

1015941

Company Registration Number

02773867

Registered Office

329 Harrogate Road
Moortown
Leeds
LS17 6QD

Patrons

The Right Rev Marcus Stock,
Catholic Bishop of Leeds
The Right Rev Nick Baines,
Anglican Bishop of Leeds
The Earl and Countess of Harewood
Professor Gerald Richards
Tom Riordan CBE
Arif Ahmad
Zulfi Hussain MBE
Ed Anderson,
HM Lord-Lieutenant for West Yorkshire
Marilyn Stowe
Henry Cohen

Bankers

HSBC Bank plc
33 Park Row
Leeds
LS1 1LD

Investment Advisers

Investec
2 Gresham Street
London
EC2V 7QN
Change of Name to Rathbones on
21 September 2023

Auditor

Saffery LLP
Mitre House
North Park Road
Harrogate
HG1 5RX



Hospice Leadership Team



Kerry Jackson
Chief Executive



Jason Kirk
Chief Operating Officer
and Company Secretary



Dr Mike Stockton
Consultant in Palliative
Medicine and
Chief Medical Officer



Clare Russell
Director of Transformation
and Culture



Kate Goldring
Director of Income
Generation



Heather McClelland
Chief Nurse

Board of Trustees

Philomena Corrigan

Chair of the Board of Trustees from January 2023
Chair of the Clinical and Academic Governance Committee to January 2023

Dr Peter Belfield

Chair of the Board
Retired 31 December 2022

Dr Jonathan Smith

Deputy Chair of the Board from January 2023
Member of the Corporate Governance Committee

Sue Ansbro

Deputy Chair of the Board to January 2023
Chair of the Corporate Governance Committee to January 2023
Member of the Finance and Business Committee
Retired July 2023

Angus Martin

Chair of the Finance and Business Committee
Member of the Corporate Governance Committee

Chris Schofield

Chair of the Corporate Governance Committee from January 2023
Member of the Finance and Business Committee to January 2023

Jacqueline Murphy

Chair of the Clinical and Academic Governance Committee from December 2022
Member of the Corporate Governance Committee from December 2022

Sr Anne Hammersley CP

Representative of the Sisters of the Cross and Passion Charitable Incorporated Organisation

Professor Sir Alex Markham

University of Leeds Representative
Member of the Clinical and Academic Governance Committee

Reverend Barry Miller

Spiritual Care Champion
Member of the Clinical and Academic Governance Committee

Bassem Keir

Member of the Finance and Business Committee from September 2023

Brigid Reid

Member of the Clinical and Academic Governance Committee

Dr Eileen Burns

Member of the Clinical and Academic Governance Committee

Hilary Barrett

Member of the Finance and Business Committee

Kim Gay

Chair Elect of the Finance and Business Committee

Lisa Hollidge

Member of the Finance and Business Committee from September 2023

Dr Mohammed Sattar

Diversity Champion
Member of the Corporate Governance Committee

Mukesh Parekh

Member of the Finance and Business Committee from September 2023

Will Lifford

Member of the Finance and Business Committee
Resigned February 2023

Trustees' Report

Our Vision:

The needs of people living with a terminal illness and those close to them are met with care, compassion and skill

Our Purpose:

St Gemma's Hospice acknowledges the value of life and the importance of dignity in death. We provide and promote the highest quality palliative and end of life care, education and research

Our Values:

Caring

Treating each person with kindness, empathy, compassion and respect

Aspiring

Continually learning and developing; striving for excellence in everything we do

Professional

Delivering high standards through team work, a skilled workforce and good governance

Our Strategy 2018 - 2028:



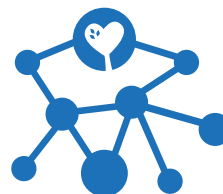
Impact

St Gemma's University Teaching Hospice will improve care for patients and families through research, education and translating evidence into practice



Connect

St Gemma's Hospice will work in partnership with others to provide the standard of care we would want for our own families



Extend

St Gemma's Hospice will develop palliative and end of life care services in Leeds to meet the needs of more people in the future

Our Foundations:

Quality

Continuous improvement is sought across all areas of the Hospice

Sustainability

Our Hospice services, estate and workforce are financially viable and fit for the future

Scope

The needs of people living with a terminal illness and those close to them are met with care, compassion and skill

Statement from the Chair of the Board of Trustees and the Chief Executive

Welcome to the St Gemma's Hospice Report and Financial Statements for the year to 31 March 2023.

In 2022/23 St Gemma's Hospice continued to focus on the delivery of high quality, evidence based and holistic care for patients; support for families including bereavement counselling; and leading the provision of palliative care education and research.

The impact of the COVID-19 pandemic finally abated during 2022/23 and we were able to return St Gemma's to a more normal operating environment. This included the re-introduction of unrestricted patient visiting, increased on-site education provision, and welcoming back more volunteers and visitors from our local community.

Our referral levels remained stable compared with prior years, with 1,365 unique patient referrals to In-Patient, Community and Out-Patient services. In-Patient admissions increased to pre-pandemic levels following a challenging year for staffing in 2021/22. We have continued to widen access to our services, through increased referrals for the homeless and vulnerably housed, direct admissions from hospital Emergency Departments, expanded In-Patient admission criteria and further developing care pathways for patients with a diagnosis other than cancer. Bereavement activity increased significantly as we widened our offer to meet high need in the community.

Feedback from patients and families about their experience of St Gemma's services continued to be excellent, reflecting the hard work, dedication and compassion of our staff and volunteers. We maintained safe, effective, responsive, caring, and well-led services, supporting our Outstanding rating from the Care Quality Commission.

Our quality improvement priorities, as outlined in our published Quality Account, made good progress in 2022/23. Partnership working, seeking to ensure improved patient and family outcomes and greater integration of care, included active engagement in the Leeds Palliative Care Network, the End of Life Population Board, and the West Yorkshire Hospice Collaborative.

Through the work of the Academic Unit of Palliative Care (AUPC) and a partnership with the University of Leeds, we continued to improve palliative and end of life care through evidence and learning. In the 10th anniversary year of the AUPC we provided placements for 128 students; delivered training to over 1,000 external professionals in areas such as communication skills, advance care planning and bereavement and

loss; and the 15-strong University team led a £4m research portfolio.

Our staff forum, Engage, supported the training of Wellbeing Champions across the Hospice, and drove a programme to support the mental and physical wellbeing of staff. This included the celebration of staff contributions through quarterly and annual awards together with a wide range of wellbeing initiatives ranging from staff supervision to Cake Wednesday. We were again ranked as a Two Star organisation in the Sunday Times Best Companies Survey in 2022, 16th in the Best Charity Organisations to Work for. We undertook our first Volunteer Survey to engage more fully with our 700 volunteers.

All our services are provided free of charge to patients and those close to them, thanks to the sustained and generous support of donors and our local community, as well as funding support from the NHS. We again saw very strong results from our retail chain and legacies. Although we know we face challenges in particular income generation areas and a difficult overall economic environment, we are in a strong financial position as we move into the 2023/24 financial year.

We are enormously grateful to the Sisters of the Cross and Passion and to our Board of Trustees for their support, guidance, and commitment throughout the year. We have seen a number of changes in our Trustee body and have robust Board succession planning in place.

We are delighted that Philomena Corrigan has become Chair of the Board and we welcome our new Trustees: Lisa Hollidge, Bassem Keir and Mukesh Parekh. We give grateful thanks to those Trustees who have retired from the Board for their contribution to St Gemma's: Dr Peter Belfield, Will Lifford and Sue Ansbro.

Philomena Corrigan
Chair of the Board

Kerry Jackson
Chief Executive



Strategic Highlights

Shops

2021/22
24 Shops

2022/23
24 Shops

Volunteer Numbers

2021/22
878

2022/23
724

Retail Customers

2021/22
571,816

2022/23
663,195

Retail Items Sold

2021/22
1,219,224

2022/23
1,372,003



Admiss In-Patie

2021/22
416

Out-Patie Group Cont

2022/23
918

*Out-Patient Group contacts
included in Community c

Website Visits

2021/22
153,000

2022/23
148,000

Twitter Followers

2021/22
8,118

2022/23
8,098

Facebook Followers

2021/22
17,839

2022/23
18,200

External He Professional

2021/22
988

Studen

2021/22
125

New Patient Referrals

2021/22
1,300

2022/23
1,365

Cancer: Non-Cancer Patient Referrals

2021/22
66%:31%

2022/23
66%:34%



Referrals to Inpatient Unit

2022/23
492

Average In-Patient Length of Stay (days)

2021/22
12.5

2022/23
12.2

Community Nursing and Medical Contacts

2021/22
21,448

2022/23
19,842

Referrals to Inpatient Unit*

3

Referrals previously
to Inpatient Unit

Referrals to Inpatient Unit

2022/23
1,054

Referrals to Inpatient Unit

2022/23
128

Staff Members

2021/22
281

2022/23
301

Inclusive Top 50 Companies

2021/22
37th

2022/23
31st

NHS Core Grant

2021/22
29%

2022/23
30%

Total Income

2021/22
£13,419,643

2022/23
£15,059,298

Patient Story

It was our privilege to help this special couple celebrate their wedding at the Hospice recently. The bride **Lisa**, who was being cared for on the St Gemma's In-Patient Unit married **Andy** in a beautiful service with family and friends. The newlyweds said:

“We had a wonderful day and we are so grateful to everyone who made this possible.”

Dr Hannah Zacharias said:

“Well done and thank you to the whole team for making this possible. Everyone pulled together and worked true magic in a small amount of time. We helped create lovely memories for this family during an otherwise really difficult time and they were all completely blown away by the love and effort.”

Strategic Report

St Gemma's Hospice is a registered charity.

Our objects are:

- ♥ The palliative care, treatment, or relief of people with active, progressive and advanced illness without regard to their means, faith, race, gender, or any of their other protected characteristics as defined in the Equality Act, at St Gemma's Hospice in Leeds and/or such other places as the Charity thinks fit including in the wider community
- ♥ The relief of those who have experienced loss and bereavement, in particular families, friends and carers, through the provision of counselling, advice and support
- ♥ The provision of education and training for professionals and volunteers engaged in palliative care

All in accordance with the teachings in the catechism of the Roman Catholic Church and pronouncements of the Holy See from time to time on the sanctity of human life.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Hospice and in planning future activities which are set out in this report.

Our services are open to patients over the age of 18. We provide care to people with a range of diagnoses including cancer, neurological conditions, and end stage respiratory and heart disease. We also provide support to families and carers including children and young people.

The Hospice team provides specialist palliative care, where the patient has unresolved needs that exceed the expertise of the referring team, and end of life care. Care is provided by our specialist team of doctors, nurses, social workers, therapists, counsellors, and spiritual care workers and by our team of vital support staff and volunteers. Much of our care is provided in people's own homes and care homes, with care also offered in our In-Patient Unit and Out-Patient and Day Services in Moortown.

St Gemma's care is individual and holistic, seeking to alleviate symptoms such as pain and breathlessness as well as supporting people's emotional and spiritual wellbeing. We recognise the unique physical, emotional, social, and spiritual needs of each person and place a high value on respect, choice and empowerment.

Our services are provided free of charge to patients and those close to them. We receive a proportion of our funding from the NHS, with the remainder coming from the local community, which generously funds us through donations, fundraising and gifts in wills and continues to give thousands of volunteer hours every year.



The Year Under Review

Ensuring Quality of Care

We retain our focus on providing the highest quality care for patients and support for families. Feedback continues to be excellent, reflecting the Outstanding rating received from the Care Quality Commission in our most recent inspection. We have further expanded our surveys and feedback mechanisms this year. Patients and families are often eager to praise the whole team, recognising that every member of the St Gemma's team supports the provision of patient and family care.

The number of new referrals to Hospice services is consistent with previous (non-pandemic) years. There has been a continuing increase in the proportion of patients we care for with non-cancer diagnoses, reflecting our commitment to widening access to people with a range of conditions.

Much of our activity is stable compared with prior years. In-Patient admissions have increased to pre-pandemic levels following a challenging year in 2021/22 with high staff absences related to COVID-19 as well as recruitment challenges, both of which are now improved. The number of community contacts by medical and nursing staff is comparable with 2021/22 including all telephone and face-to-face consultations with patients, relatives and carers. We are delighted that in 2022/23 we were able to re-establish in person Out-Patient group activities. These have been shaped by our service users and we have seen a positive response in terms of attendance and feedback.

Bereavement activity has significantly increased over the last year, through recruitment of additional volunteers and student counsellors and provision of different service offers.

The following strategic priorities for 2022/23 were in line with our ten-year Hospice Strategy.

Strategy Review

Our Hospice Strategy runs from 2018 to 2028. During 2022/23 we undertook a review of progress made after five years. Working with a consultant, we ran a series of internal workshops and took feedback from external stakeholders to consider how we continue to translate our vision and strategy into operational reality, with a particular focus on In-Patient and Community Services.

In addition, we conducted structured workshops to review our Academic Unit of Palliative Care strategy and determine what changes are needed for the future.

As a result of this work, we have identified a number of priorities for our Hospice Business Plan for the period 2023 to 2025, as well as agreeing a more outcomes-based approach to service developments and other transformational change programmes. This is outlined in the Looking Ahead section, page 17.

Clinical Quality Improvements

Effective and safe patient care is central to everything we do at St Gemma's. We monitor care quality and safety using a range of measures and continually seek to improve against the latest research evidence and best practice guidance. The measures include patient outcome metrics, patient and family feedback, complaints, service evaluation and audits, clinical incident reviews, staff surveys and views, and the findings from national and local studies. Our key performance indicators for 2022/23 do not give rise to any significant areas of concern.

We continue to work closely with other health and care providers and with NHS commissioners, to ensure that services are provided in an integrated way to meet patients' needs and improve outcomes. St Gemma's is an active member of the Leeds Palliative Care Network (LPCN), the Leeds End of Life Population Board and the West Yorkshire Hospice Collaborative.



The St Gemma's Quality Account sets out our priorities for clinical improvement each year. The priorities for 2022/23 were:

- ♥ Improving Discharge Planning. Following the appointment of a Patient Transfer Nurse, we have made significant progress, including improved information-sharing within our teams and with patients and carers. Our Discharge Focus Group continues to meet, review and develop practice.
- ♥ Implementing a Virtual Ward to enhance support for patients with complex needs in their homes. After a trial period, St Gemma's identified no additional benefits for our patient group from the model and therefore made a decision not to continue it. Our wider strategic review showed us that the area of greatest need would be met by developing a consultant-led, multi-disciplinary rapid response service for patients with specialist palliative care needs, who develop an urgent and severe palliative care problem in the community. Work on this rapid response model is underway.
- ♥ Improving Mental Health Services. A Hospice-wide working group developed a comprehensive plan for improving psychological and emotional care for patients. It also defined an ambitious training programme to support this improvement. Although the implementation phase has been delayed given competing priorities, work now forms part of the Business Plan 2023-25.
- ♥ Introduction of Quality Improvement (QI) Methodology. QI is a framework used to systematically improve care, achieve predictable results and improve outcomes for patients and organisations. We have begun a Community Services project with a focus on our triage service (prioritising our response to patients based on the urgency of need) and are making good progress

Hospice Workforce and Culture

The Hospice Engage group allows employees across the organisation to contribute to, and improve, staff engagement and Hospice culture. Engage plays a key role in developing the staff wellbeing offer and supporting the organisation of events.

Throughout 2022/23 staff wellbeing continued to be a high priority. We embedded Wellbeing Champions across the workforce structure to design and drive a programme to support mental and physical wellbeing.

Some of the key elements of the programme were to:

- ♥ Work in partnership with external experts 'We Are Wellbeing'
- ♥ Prioritise improvements in workforce support and supervision
- ♥ Hold several workforce wellbeing events with activities ranging from mindfulness and yoga to Salsa dancing and pizza, all of which were really well received by staff.

In 2022 we introduced "Gem of St Gemma's" quarterly awards and an annual Staff Awards Evening. These initiatives provide staff with the opportunity to nominate their colleagues in recognition of exceptional contribution and demonstration of Hospice values and behaviours.

We were pleased to be able to re-introduce some activities put on hold during the pandemic, such as a Choir and a monthly Cake Wednesday to bring different groups in the Hospice together.

We again participated in The Sunday Times Best Companies Survey in 2022. Feedback from the survey demonstrated that staff view the Hospice as a supportive environment, providing outstanding care provision with a highly skilled team. Staff highlighted that the Hospice has a culture of strong teamwork, is proactive and champions workplace wellbeing.

Areas for improvement were identified, some addressed through a pay increase and better maternity/paternity benefits. Comments regarding opportunities for progression and development are being addressed through new posts within community nursing and a training programme for managers.



We greatly value our volunteer workforce as an integral part of the Hospice and have 724 registered volunteers supporting all teams. We were delighted this year to welcome many of our volunteers back after the pandemic. Activity continued across all clinical, non-clinical and income generation services, including corporate volunteer support from 37 companies and 500 people.

The 2021 to 2024 Volunteer Plan has driven work to ensure the foundations of our volunteering service are robust. This year we have successfully introduced improvements in data management and how we identify volunteering opportunities. We have surveyed volunteers to understand their reasons for volunteering with us, what works well and what could be improved. From this we plan to create a forum to help develop our future volunteer workforce.

Patient and Family Experience of Care

Throughout 2022/23 we conducted a survey of bereaved carers for families of patients who died on St Gemma’s In-Patient Unit. We received 91 responses and heard the following:



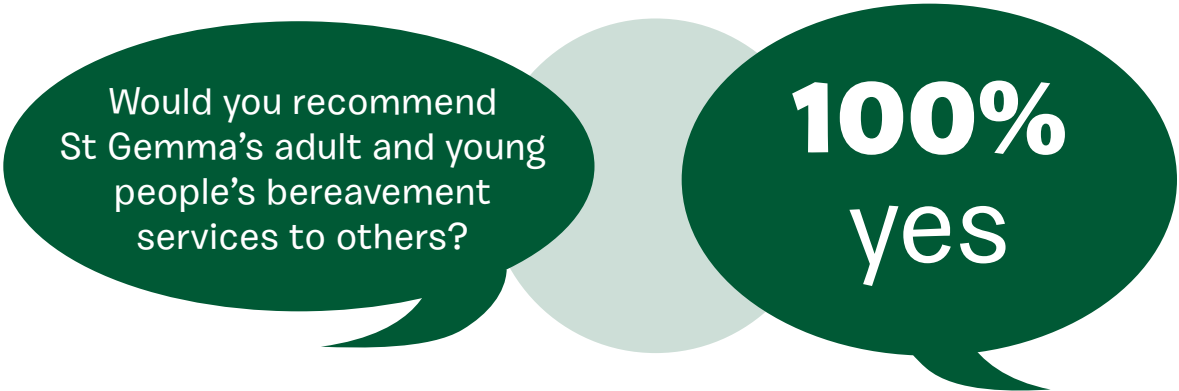
“The exceptional care was always extended to family members whenever we visited.”

“It was immensely helpful to get the involvement of the community team. They really understood and take time to care. I felt much more relaxed with them being available on standby.”

“The care given to my mother was excellent. She was well cared for. The staff are very caring and have time to stop and talk to you when you need them. Everything was explained, I see no need for improvement.”

We also surveyed patients and families who were receiving care from our Community Clinical Nurse Specialist service. Of the 71 responses received, 100% felt satisfied or very satisfied with the overall service provided. All patients and families responded that they felt that they were or their relative was treated with respect, that nurses were helpful in assessing their problems, and that they felt listened to and involved in decisions about care.

Regular experience surveys are conducted for all clinical and bereavement services, with very positive feedback and comments. In July to September 2022, we introduced surveys for our Adult and Young People’s Bereavement Services. 100% of the 29 respondents told us that they would recommend our services to others. Work is underway to increase response rates from these more recent surveys.



Any comments providing opportunities for improvement are captured as part of our feedback to allow us to respond to any emerging and recurrent themes. There are no areas of concern.

Securing our Financial Future

During 2022/23 we received core grant income from NHS Leeds of £4.3m (2021/22: £3.9m). This represented an increase of £0.4m, reflecting a cost of living increase and agreed additional funding. We also received one-off (non-recurrent) funding of £272k from the West Yorkshire Integrated Care Board (ICB) as part of a £1.8m NHS distribution to West Yorkshire hospices.

We are working with the West Yorkshire ICB to secure future NHS funding for the future. As a leadership team we are fully engaged with the new structures, including the ICB and the Leeds End of Life Population Board, responding to changing reporting requirements and presenting our case for funding, outlining the positive impact and outcomes of our services.

The remainder of our income in 2022/23 was generated through the local community. Although COVID-19 restrictions were lifted, there was still some concern amongst the public early in the year and it is clear that the landscape for fundraising and mass participation events has changed. As businesses continue to operate flexible working practices, they have less ability to raise charitable funds through on-site office activity, which in turn has reduced corporate sector income.

Despite these challenges, we were able to generate £15.1m in total during the financial year, including our NHS income. The results were driven by a number of factors, including the excellent services delivered by our clinical and support teams, increased activity and focus in the income generation team, investments made in specific areas and a record-breaking year in retail and legacies.

All of this was underpinned by the sustained and generous support of donors and communities in Leeds. We are extremely grateful to all those who make donations, take part in fundraising events, leave a gift in their Will, donate their time through volunteering, or help the Hospice in any way. It would simply not be possible to raise the money needed for patient and family care without this support. The strength of our income generation activities comes in part from the breadth of our portfolio. During the year we continued to invest to capitalise on opportunities for income and plan for future financial sustainability.

We are ever conscious of the external environment including the cost of living crisis, other socio-economic challenges, changing demographics and the health needs of the population. We regularly review all our services to ensure that we are responsive to those changing needs, operating as efficiently as possible and spending wisely in delivering our care.

Developing the Academic Unit of Palliative Care

The Academic Unit of Palliative Care (AUPC) consists of three areas: Research, Learning and Teaching, and Evidence into Practice. The AUPC has continued to develop over the last year and consolidated its position as a leading centre nationally in palliative care. The AUPC strives to deliver the highest quality education and research and make sure this has an impact for patients and their families wherever they are cared for.

In 2022 we celebrated the AUPC's 10th anniversary, acknowledging St Gemma's long-standing commitment to teaching and research in collaboration with the University of Leeds. The research team, based at the University of Leeds, continues to thrive, with four new strategic senior appointments in the last year – a Professor of Palliative Care and three Associate Professors. The 15 strong team leads a £4 million portfolio of research. In 2022/23 the team published over 50 papers in peer reviewed journals.

We continue to see increasing demand for palliative and end of life care training, particularly in areas of Communication Skills, Advance Care Planning and Bereavement and Loss. Our well-established online learning platform has enabled us to expand our offer and increase our impact. Throughout the year we trained 1,054 external professionals, an increase on pre-pandemic numbers.

We provided placements for 128 students and have extended our comprehensive induction, which students have found extremely beneficial. In addition, we have increased our internal training programme, particularly for non-clinical staff in areas such as IT and project management skills.

Evidence Based Practice promotes a culture of effective decision-making, supporting clinicians to challenge practice, and to base new developments in practice on research and analysis. The cross-Hospice team conducts a broad range of clinical audits. Practice Enquiry sessions hold a monthly community Journal Club.

Ensuring Equality, Diversity and Inclusion

Our internal Involve Group is tasked with keeping equality, diversity and inclusion on the Hospice agenda. We are a founding member of the Leeds Palliative Care Network Equality, Diversity and Inclusion group, bringing together colleagues from across the health and care system to identify and reduce inequalities in palliative care. The scope of Involve is wide ranging, focusing on six themes: workforce, experience, community engagement, governance, accessibility and communications. Involve reports to the Board through the designated Diversity Champion at the Corporate Governance Committee.

One of our ongoing aims is to improve accessibility to our services. We routinely report the ethnicity of our patient population, benchmarked against citywide data. The ethnic mix of patients cared for by St Gemma's during the year showed greater diversity than our catchment population overall.

Throughout 2022/23 we have also continued to support groups who may find access to palliative and end of life care more difficult, including patients with learning difficulties, disabilities and those who are homeless or vulnerably housed.

Driving Sustainability

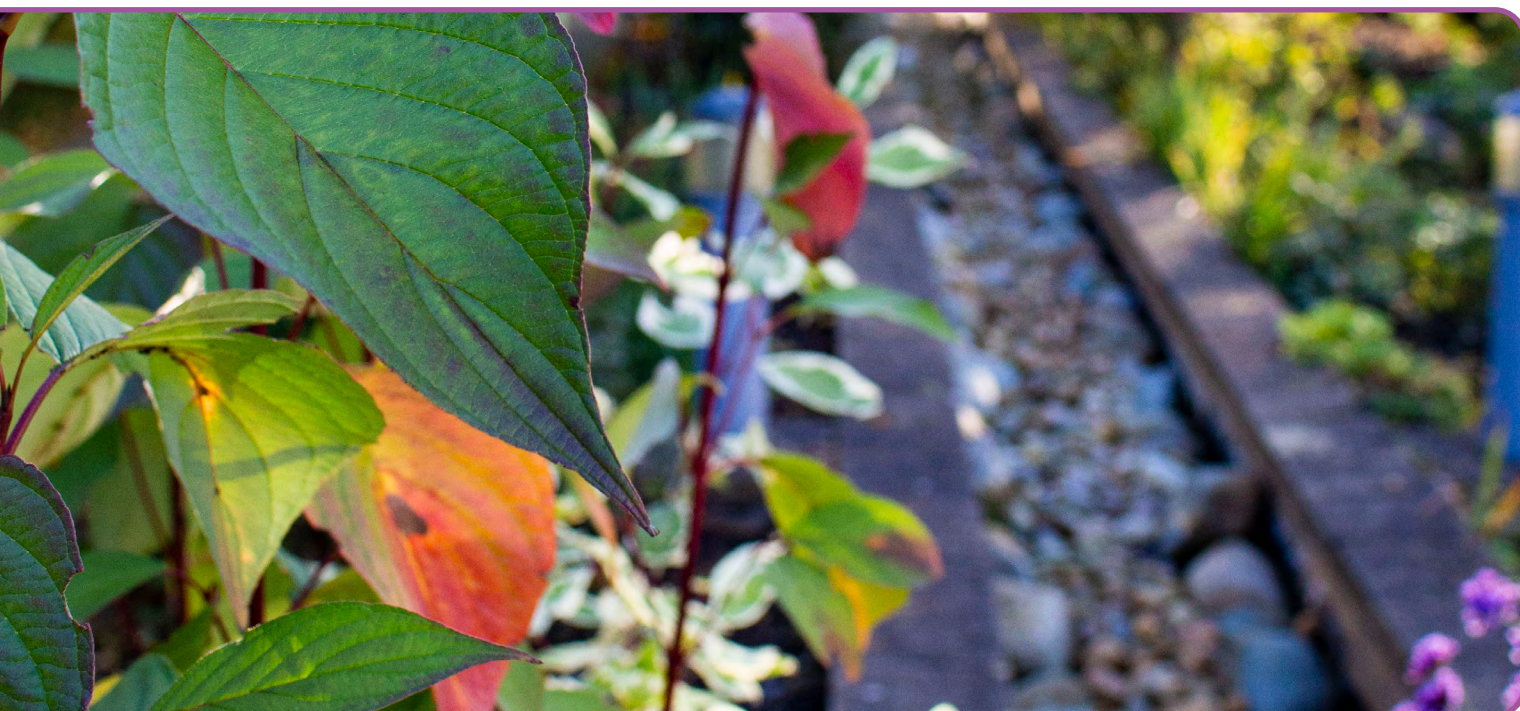
We are committed to being environmentally sustainable and continue to develop plans that have a positive impact on the environment and our local community. We are part of a project funded by West Yorkshire Health and Care Partnership to develop an environmental sustainability assessment framework that supports hospices across West Yorkshire.

In June 2023 we completed the Young People's Cabin, a unique and sustainable structure that was influenced by our young people. The new Cabin provides, for the city of Leeds, age-appropriate space for one-to-one and group activities, offering both a confidential safe space and an informal social area.

The Cabin is constructed with timber, one of the most sustainable low-carbon building materials. The building has high levels of thermal insulation. It is fully electric; heating and cooling is undertaken through an efficient air source heat pump. A 4 KW photovoltaic (PV) array on the roof generates sufficient power to meet the building's annual energy requirements. The space has already been shortlisted for the Leeds Architecture Awards 2023 and the Structural Timber Awards (Healthcare project of the year) 2023.

In 2022 we invested in five energy-efficient condensing boilers to our main site, replacing the old and inefficient atmospheric boilers. These new boilers not only reduce gas consumption but also significantly reduce our emissions and carbon footprint.

Our gardens continue to create a unique haven for patients and their visitors and gain many prestigious awards. In 2022, we were awarded Yorkshire in Bloom Gold, reflecting the diversity of our gardens which now include a sustainable vegetable section, wild-flower meadows, bug hotels and integral composting area.



Looking Ahead

St Gemma's Hospice Strategy 2018 to 2028 provides a framework for the long-term development of St Gemma's services under three pillars of Impact, Connect and Extend. These pillars are supported by our foundation priorities which focus on clarity of scope, quality of services and sustainability of our Hospice. The Hospice Strategy is consistent with the palliative care strategy for Leeds and considers the needs and wishes of patients, families and staff, likely future changes in need as well as national guidance and best practice.

Strategic Priorities

A full Strategy Review was undertaken during 2022, as outlined on page 12. Through this work a series of development priorities, over and above our ongoing operational delivery, were agreed by the Senior Leadership Team and the Board of Trustees. These include a combination of service improvement and foundational or infrastructure priorities.

To ensure adequate time to implement, embed and evaluate these significant pieces of work, we have developed a business plan spanning at least two years, from April 2023 to March 2025. Examples of projects and programmes include:

- ♥ Pilot and evaluate a Rapid Response model in Community Services
- ♥ Review and scope the potential further expansion of our Adult Bereavement Services
- ♥ Refresh our Strategy for the Academic Unit of Palliative Care
- ♥ Improve staff recruitment and induction processes
- ♥ Improve supporter experience and associated processes
- ♥ Improve network and telephony infrastructure
- ♥ Plan for digital transformation and improved data management.

The introduction of a more robust and structured project management methodology will support this work, for consistency, transparency, and an increased focus on project outcomes.

Clinical Quality Improvement Priorities

For 2023/24 we have agreed the following four improvement priorities, as outlined in our recently published Quality Account 2022/23:

- ♥ Introducing the NHS Patient Safety Incident Response Framework
- ♥ Improving Community Triage Processes (with NHS Improvement Academy)
- ♥ Enhancing Tracheostomy and Laryngectomy Care
- ♥ Improving the Safety Huddle

The team will report on progress against these priorities on a quarterly basis to the Clinical and Academic Governance Committee.

Hospice Workforce and Culture

Our workforce remains St Gemma's most important asset. We will continue to create a culture where wellbeing is a high priority, where staff and volunteers thrive and where there are opportunities for training and development.

Our activities continue to be driven by Engage, our employee engagement group, supported by our Wellbeing Champions.

Based on staff feedback and research, the team has now designed a more comprehensive and extended programme for 2023/24, including quarterly updates and evaluations, and a focused wellbeing week in October 2023.



Financial Review

Year on Year Income Review

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006 and the Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102).

The statement of financial activities shows net income for the year of £1,540,417 (2022: £1,033,013) prior to any gains or losses on investments. Total income for the year was £15,059,298 (2022: £13,419,643) representing an increase of £1,639,655 (12.2%). Record legacy income of £3,109,107 (£758,397 higher than 2022), strong trading in our shops including online sales (£667,513 higher than 2022) and one-off funding from West Yorkshire Integrated Care Board of £272,452 all contribute to our highest income generation on record.

EU Exit January 2020, geo-political events since February 2022 and the post pandemic impact of COVID-19 all continue to influence the UK economy but have not adversely impacted our

financial results 2022/23. These key events are leading to an unprecedented financial challenge with rising wage inflation, significant operational cost increases (e.g. utilities) and cost of living rises impacting our income generating activities which influences our longer-term financial sustainability. We continue to be in a position of strength with adequate levels of general reserves to support our response to this unique financial challenge. This is considered in our review of reserve utilisation, principal risks and going concern (pages 21-24).

NHS Leeds grant of £4,279,346 (2022: £3,918,743) represents an increase of £360,603 (9.2%). This increase reflects an inflationary uplift of 4.06% on the core grant and the final payment of £250,000 supporting the delivery of a revised service specification.

Shop income of £4,096,267 (2022: £3,428,754) represents an increase of 19.5% across our 24 charity shops. Our investment in larger retail units, strong demand in existing shops and the full year impact of our new Meanwood shop continue to drive income growth. The net income from shops was £1,336,023 (2022: £766,497) representing an increase of £569,526 (74.3%).

Income from donations, trust grants, lottery and fundraising events was £2,517,202 (2022: £2,545,353) a decrease of £28,151 (1.1%). This reflects growth in Donations £67,106 (4.9%), Fundraising £62,289 (11.4%), Lottery £36,432 (11.5%) offset by a reduction in Trust Grants of £193,978 (-61.5%). This reduction is due to one-off COVID-19 grants of £92,021 received only in 2022, and an end to the funding from Children in Need.

Total expenditure of £13,518,881 (2022: £12,386,630) increased by £1,132,251 which represents an increase of 9.1%. This increase is due to the annual pay award (including one-off payments) and costs associated with the additional income generated across the shops and income generation portfolio. We continue to control expenditure and drive improvements to support our long-term financial plan.

The investment portfolio generated a deficit of £465,381 (2022: surplus £244,175). The investment portfolio is managed for long-term growth in both its capital value and the level of income it can generate. For the year to March 2023 the portfolio's total return was -4.5% (2022: 6.2%) compared to a benchmark of -1.5% (2022: 10.3%).



The 12 months to 31 March 2023 were challenging for markets with interest rates in the UK rising from 0.75% to 4.25%. Rates were raised to dampen inflation which itself rose by just over 10% during this period. Bond markets reacted negatively to both the heightened inflation and the higher interest rates with the UK Government bond index (FT All Stocks) producing a total return of -16.3%. Whilst parts of the market such as oil stocks performed well, property was particularly weak, returning -14.7%. Growth stocks fared poorly as the rate at which their future cash flows were brought back to today's values suffered from using a higher discount rate, resulting in weak returns in both UK and Overseas equities.

Total Return (%)	One Year	3 Years	5 Years
Portfolio	-4.5	28.6	28.3
Benchmark	-1.5	31.6	27.4
RPI +3 Objective*	17.0	36.9	52.4
FTSE 100	5.4	49.1	31.1
ARC**	-4.1	26.4	23.3

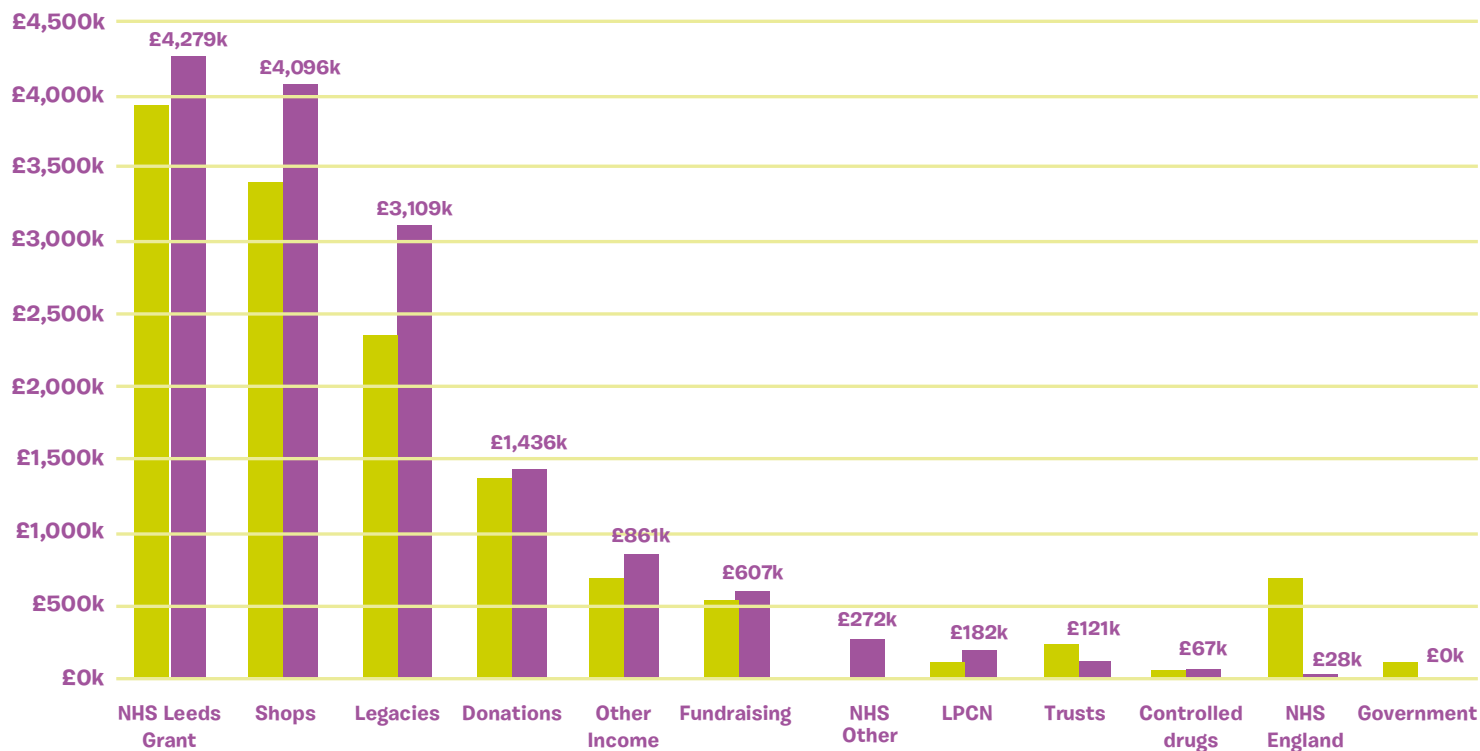
** ARC Steady Growth Index. This is a peer group comparison showing the performance of charities that have a similar risk profile.

At year end the investment portfolio was valued at £6,248,717 (2022: £6,746,073) with investment management fees of £31,390 (2022: £29,133). Overall investment income was £195,036 (2022: £165,221) of which the investment portfolio contributed dividend payments of £171,673 (2022: £160,771). The remaining £23,363 (2022: £4,450) was generated from bank interest on approved short and medium-term deposits. Government interest rate rises means banks are now offering higher deposit rates so there are opportunities to maximise income through the short-term investment of surplus cash balances. Companies are continuing to retain funds rather than making dividend distributions to shareholders and this trend is expected to continue during 2023/24 and impact our investment income

The investment portfolio is managed by external fund managers (Investec) and performance is monitored by the Finance and Business Committee with an independent review every 3 years (the last independent review was in October 2022). All investment decisions are made in accordance with the approved investment policy. This policy sets out the investment powers, objectives, risk profile, the types of investment and the benchmarks used for performance monitoring. A range of benchmarks are used to assess investment performance including a bespoke benchmark, agreed with the external fund managers, that reflects the Trustees' wish for good returns balanced with the need to manage risk. At the year end the portfolio was invested in a mixture of equities (75%), fixed interest (11%), property (3%), cash deposits (3%) and alternative assets (8%).

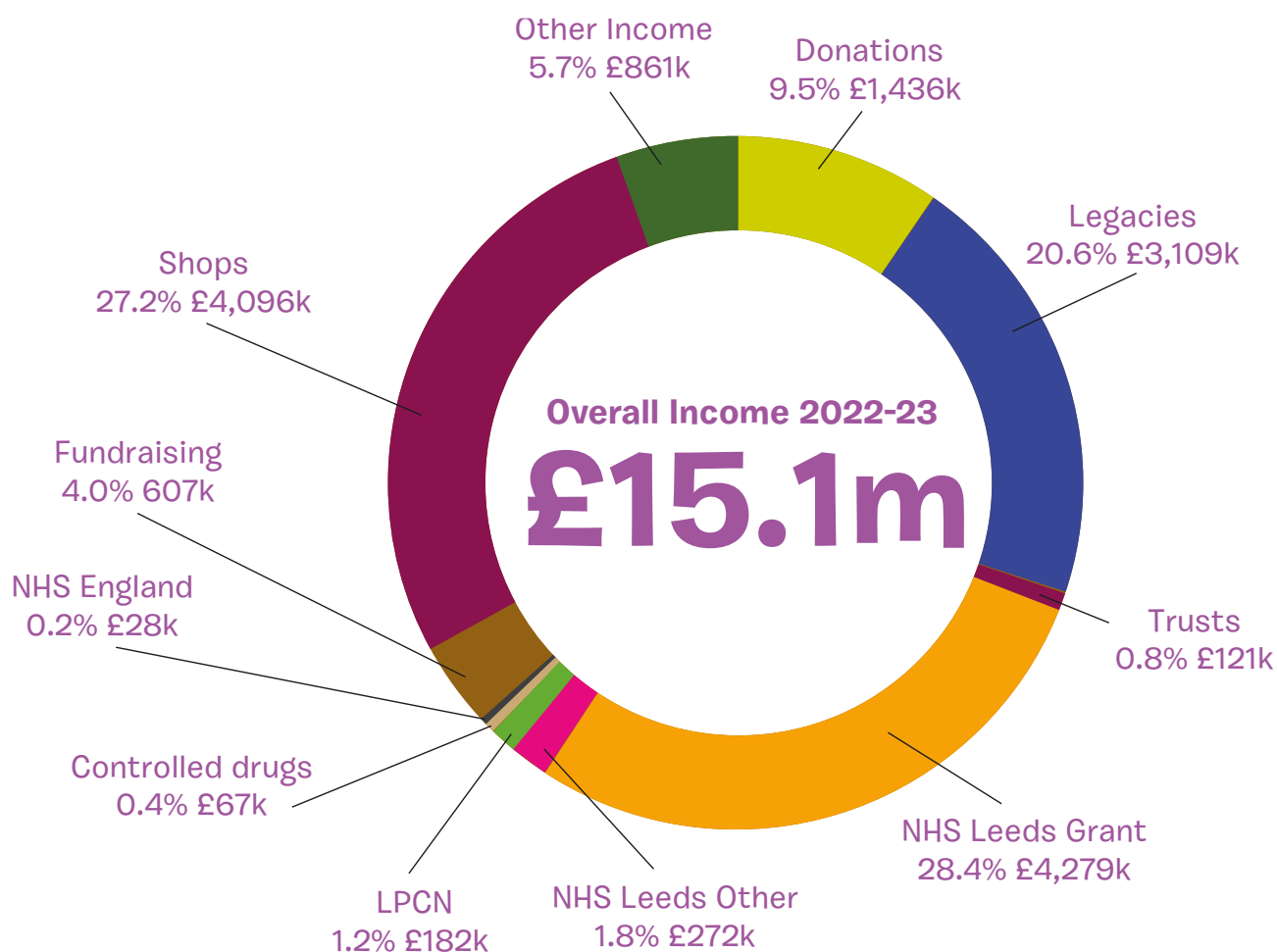


Income Chart Comparison 2021/2022 - 2022/23



St Gemma's Hospice Services Ltd (trading subsidiary) continued to sell bought in goods and receive a lottery license fee. During 2022/23 there was limited room hire income of £808. The company made a net surplus of £10,579 (2022: £9,570) in the year which will be transferred to the Hospice under Gift Aid.

Total Income 2022/23



Reserves

The Board of Trustees operates a risk-based approach to determine the levels of reserves needed to cover key financial risks and support the long-term strategy and five-year plan. The Board has agreed a minimum general reserve fund of £3m as adequate to cover those assessed financial risks. This includes a £2.5m provision to cover statutory or associated liabilities should we need to undertake a major restructure in response to a significant reduction in income and £500k to support an emergency response to an unplanned event. This minimum reserve level is considered by the Board alongside the five-year financial plan and capital investment requirements on an annual basis.

The general reserves are drawn from unrestricted funds, excluding funds designated for future expenditure and those funds already invested in fixed assets. The unrestricted general reserve is currently £11,215,950 (2022: £10,246,759). The increase of £969,191 is due to strong performance in retail and income generation and is after accounting for a £500,000 transfer into the digital development fund and investment loss of £465,381.

Total designated reserves 31 March 2023 were £3,889,375 (2022: £3,648,990) of which £2,556,917 (2022: £2,563,839) has been invested in fixed assets. The designated reserves, excluding fixed assets, are £1,332,458 (2022: £1,085,151). We hold appropriate designated reserves to support the delivery of St Gemma's Hospice Strategy 2018-2028. These reserves can be designated, re-designated or released at the discretion of the Board. Current designated reserves include:

- ♥ Maintenance and Gardens Reserve of £262,356 (2022: £312,836). This fund ensures we can resource the asset replacement needs of the estate.
- ♥ Building Development Reserve of £214,174 (2022: £304,641). This fund initially recognises the future needs of an ageing estate and upgrade of buildings and space.
- ♥ Service Transformation Reserve of £201,311 (2022: £257,175). This fund supports key programmes of work linked to culture and workforce wellbeing initiatives.
- ♥ Digital Development Reserve of £571,074 (2022: £171,558). This fund supports investment in the IT infrastructure and digitisation programmes. The Board approved an additional £500,000 to this key fund during 2022/23 to support key digital initiatives.
- ♥ COVID-19 Response Reserve of £30,609 (2022: £38,941). This fund supports a COVID-19 secure environment and allows us to respond to any unexpected demands post pandemic.

See notes 16 and 17 of the financial statements for further information on reserve utilisation.

Fixed Assets and Investments

The movements in fixed assets and investments during the period are set out in notes 10 and 11 to the financial statements. The Board of Trustees has the power to invest the charity's money in the manner they consider most beneficial for the purposes of St Gemma's Hospice.



Structure, Governance and Management

St Gemma's Hospice was founded in 1978 by the Sisters of the Cross and Passion who retain ultimate control of the company. The members of the company all belong to this congregation. The Hospice is a charitable company limited by guarantee and a registered charity.

The Sisters of the Cross and Passion created a Charitable Incorporated Organisation (CIO) in 2019. This change in structure led to a review of governing arrangements between the Sisters of the Cross and Passion and St Gemma's Hospice. In May 2022, new Articles of Association were approved that re-established the objects and powers of St Gemma's Hospice. These are listed on page 11.

The directors of the company are also charity Trustees for the purposes of charity law and are known as the Board of Trustees. Trustee Indemnity Insurance is provided for the benefit of the Trustees.

The Trustees have complied with the duty (set out in section 4 of the Charities Act 2006) to have due regard to public benefit guidance published by the Charity Commission. This report indicates how our activities have delivered public benefit.

The Board of Trustees includes one representative of the Sisters of the Cross and Passion with a deputy if required. The remaining members of the Board of Trustees have been recruited for their experience and skills in relevant areas including medicine and nursing, finance, legal and commerce. The Trustees who served during the year are set out on page 5.

The Board of Trustees is responsible for overseeing the Hospice's strategy and performance. It is chaired by Philomena Corrigan. The Board powers are detailed in the Articles of Association.

Full meetings of the Board of Trustees are held at least four times a year to review the performance of the Hospice and to agree any major changes to the strategy or financial plans. These meetings are supported by two focused strategy and development sessions a year.

During the year, the Hospice had more than the maximum number of Trustees (12) as recommended in the Charity Governance Code (Section 5.6.2). This was to enable the managed transition of a number of known Trustee retirements and also to accommodate the representation of the Sisters of the Cross and Passion. The Board values the support and wise counsel provided by the Sisters through this Constitutional arrangement.

Scheme of Delegation

The Board has approved a scheme of delegation under which the majority of operational management and decision making is delegated to the Chief Executive. The Chief Executive has a key role in the management and monitoring of service delivery, patient satisfaction, financial performance, the assessment and control of risk, and the prioritisation and allocation of resources.

The Hospice Leadership Team (HLT) reports to the Board and its Committees, leading on strategy development, overseeing the provision of Hospice services, and managing risk. The HLT is supported by Heads of Department (collectively known as the Senior Leadership Team), closely managing day to day service provision.

The Board is supported by three Committees that meet on a quarterly basis:

Clinical and Academic Governance Committee

This Committee has delegated responsibility for oversight of clinical and academic governance, strategy, and delivery.

Corporate Governance Committee

This Committee has delegated responsibility for oversight of Hospice corporate governance arrangements, risk management, culture (including equality, diversity, and inclusion) and compliance with the Charity Governance Code. The Committee is also responsible for Board succession planning, recruitment of Trustees and the setting of Hospice Leadership Team salaries.

Finance and Business Committee

This Committee has delegated responsibility for oversight of the financial strategy, annual budget, income generation and longer-term financial planning. The Committee is also responsible for overseeing the investment of Hospice funds and recommending the appointment of an investment manager to the Board.

The HLT comprises the Chief Executive, Kerry Jackson; Chief Nurse, Heather McClelland; Chief Medical Officer and Consultant in Palliative Care, Dr Mike Stockton; Director of Transformation and Culture, Clare Russell; Director of Income Generation, Kate Goldring; Chief Operating Officer, Jason Kirk. The Chief Executive and HLT are not members of the Board and have no beneficial interest in the company.

Senior Staff Pay

The pay of the senior staff is reviewed by the Board of Trustees, through its Remuneration Committee. The levels of remuneration paid to senior employees are carefully considered compared to other roles in the market and are benchmarked, as required, against other local hospices and national charities. The Hospice directly employs four medical consultants on NHS equivalent contracts, in line with national agreements.




The levels paid are those necessary to ensure a well-run, effective organisation in line with regulatory requirements. Competitive salaries help the Hospice to attract, recruit and retain the best possible calibre of staff, in a competitive environment.

Risk Management and Principal Risks

The Board has overall responsibility for establishing and maintaining the whole system of internal control and the management of risk, including reviewing the effectiveness of internal controls. The Board has adopted a risk-based approach to establishing and maintaining internal controls, which are embedded within day-to-day management and governance processes.

The Board of Trustees assesses and reviews the management of the major risks to which the charity and its subsidiary company, St Gemma's Hospice Services Limited, are exposed, including financial, clinical, and business risks. The risk register is developed by the HLT and is scrutinised by the relevant Committees and Board on a quarterly basis.

The key risks facing the Hospice are:

-  The achievement of income targets and controlling expenditure to support financial sustainability. This remains a key risk due to the current economic environment and the future impact on key income streams and expenditure plans. We are facing an unprecedented financial challenge with soaring energy costs, rising pay inflation as we compete to attract and retain quality staff and cost of living rises directly impacting how supporters donate. We have a well-diversified income portfolio and have an appropriate level of reserves to withstand short-term funding fluctuations. We have robust financial governance arrangements to oversee and scrutinise financial performance. If we identify any longer-term trend of reduced income or rising expenditure levels, our reserves will ensure continuity of service provision. During 2023/24 the Board will consider in extremis scenarios and plans to support longer term financial sustainability.
-  Inability to recruit and retain people with the skills we need across the organisation. We carry out workforce planning and monitor supply and demand carefully, introducing new roles and diversifying skills and competencies to make resources go further. We also consider our pay offer to attract and retain quality staff in a challenging and competitive Leeds marketplace. We have a strategy which supports effective recruitment, development, and retention. We also carry out employee satisfaction and wellbeing surveys across the year.
-  The risk that changes in the health and social care environment will adversely impact our NHS grant funding. The level of government funding has given rise to pressure on the finances of the West Yorkshire Integrated Care Board which is already driving significant cost reductions across the region and directly impacting our statutory funding. We have received a modest uplift to our core NHS grant 2023/24, significantly less than the rising costs of delivering our services. Hospice Leadership Team members continue to develop sustainable relationships and partnerships with health and care professionals and organisations across the healthcare system, demonstrating the impact of the care that we deliver. We take every opportunity to ensure that we have effective representation and continue to advocate for the needs of people facing the end of life.

Information Governance

We comply with the Charity Governance Code, review Information Commissioner's Office (ICO) guidance and submit the NHS Data Security and Protection Toolkit (DSPT) which enables us to measure and publish performance against the National Data Guardian's ten data security standards.

Trustees Fundraising Statement

Income Generation at St Gemma’s is conducted by a team of fundraisers and retail staff directly employed by the charity and led by the Director of Income Generation. The Hospice also generates Lottery income through an external partner (Local Hospice Lottery Limited) and their team of directly employed lottery fundraisers. There have been no failures to comply with the standards set by these organisations and St Gemma’s is fully committed to the delivery of high quality, engaging and compliant fundraising activity.

The Trustees of the Hospice monitor the activities of the Income Generation team via quarterly meetings of the Finance and Business Committee, supported by regular meetings of the Income Review Group. The Chair of the Committee also meets monthly with the Chief Operating Officer and Director of Income Generation.

Policies to protect vulnerable individuals are in place and all fundraisers are aware of their responsibilities in this area. During 2022/23 there were two complaints (2021/22: None) relating to the Hospice’s fundraising activities and no complaints (2021/22: None) relating to the chain of charity shops. The complaints highlighted opportunities for process improvements which are being implemented.

Going Concern

As part of our annual financial planning arrangements, the Board approved budget plans for 2023/24 and a supporting five-year financial outlook in considering the sustainability of the Hospice. This included a review of cashflows, capital investment needs and minimum level of general reserves. We have recorded a strong surplus in this financial year, have a strong asset base and general reserves of £11.2m to support the Hospice and ensuring financial sustainability. Our cash flow forecasts and supporting management accounts all project sufficient liquid balance of funds to support sustainability in a challenging economic environment.

The Board is satisfied that the charity has a reasonable expectation of continuing in operational existence for the foreseeable future and so has continued to adopt the going concern basis in preparing the financial statements.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor:

Saffery have expressed their willingness to continue as auditor for the next financial year.

The Trustees’ Report, including the Strategic Report, was approved by the Board, and signed on its behalf by:

Philomena Corrigan
Chair of the Board of Trustees

Date
06/11/2023

Signature


Independent Auditor's Report To The Members Of St Gemma's Hospice

Opinion

We have audited the financial statements of St Gemma's Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the group statement of financial activities, the group summary of income and expenditure accounts, the group and parent charitable company balance sheet, the group cash flow statement and notes to the financial statements, including 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 affairs of the group and the parent charitable company as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ♥ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ♥ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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



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

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

Other information

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

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.

Other matters prescribed by the Companies Act 2006

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

- ♥ the information given in the Trustees' Annual Report which includes the Trustees' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ♥ the Trustees' Annual Report which includes the Trustees' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

- ♥ adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- ♥ the parent charitable company 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 Statement of Trustees' Responsibilities set out on page 28, the trustees (who are also the directors of the parent 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 the 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 and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Further, the parent charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements;

through a significant fine, litigation, prosecution or restrictions on the parent charitable company's operations. We identified the most significant laws and regulations to be those issued by the Care Quality Commission ('CQC') covering the provision of health and social care in England.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities, including the CQC, to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

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

Sally Appleton (Senior Statutory Auditor) for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

Saffery LLP
Mitre House

North Park Road
Harrogate
HG1 5RX

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date

13/11/2023

Signature



Trustees' Responsibilities Statement

The Trustees (who are also directors of St Gemma's Hospice 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements the Trustees are required to:

- ♥ select suitable accounting policies and then apply them consistently;
- ♥ observe the methods and principles in the Charities SORP (FRS 102);
- ♥ make judgements and estimates that are reasonable and prudent;
- ♥ state whether applicable UK Accounting Standards have been followed; and
- ♥ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

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

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



Consolidated statement of financial activities

(Including consolidated income and expenditure account)

For the year ended 31 March 2023

Income From:	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total funds 2023 £	Total funds 2022 £
Donations, legacies and general grants	2	4,417,622	-	249,220	4,666,842	4,035,317
Other trading activities:	3					
Sale of donated goods		4,050,961	-	-	4,050,961	3,380,441
Fundraising events		606,717	-	-	606,717	544,428
Lottery		348,911	-	-	348,911	313,817
Commercial trading operations		49,953	-	-	49,953	50,814
		5,056,542	-	-	5,056,542	4,289,500
Charitable activities - Provision of Hospice Services:						
NHS Leeds Funding	4	4,279,346	-	-	4,279,346	3,918,743
Additional NHS grant income		272,452	-	-	272,452	-
LPCN income		182,499	-	-	182,499	108,042
Controlled drugs income		66,788	-	-	66,788	27,478
Other grants		-	-	27,535	27,535	683,231
Education and research		146,322	-	-	146,322	142,855
Bistro		71,912	-	-	71,912	40,428
Other		94,024	-	-	94,024	8,828
		5,113,343	-	27,535	5,140,878	4,929,605
Investments	5	195,036	-	-	195,036	165,221
Total income		14,782,543	-	276,755	15,059,298	13,419,643
Expenditure On:						
Raising funds:						
Cost of selling donated goods		2,651,691	69,179	-	2,720,870	2,621,013
Costs of raising income from donations, legacies, trusts and fundraising events		1,551,942	46,608	-	1,598,550	1,363,528
Investment management fees		31,390	-	-	31,390	29,133
Commercial trading operations		39,374	-	-	39,374	41,244
		4,274,397	115,787	-	4,390,184	4,054,918
Charitable activities - Provision of Hospice Services		8,338,285	605,495	184,917	9,128,697	8,331,712
Total expenditure	6	12,612,682	721,282	184,917	13,518,881	12,386,630
Net income/(expenditure) before investment (losses)/gains	8	2,169,861	(721,282)	91,838	1,540,417	1,033,013
Net (losses)/gains on investments	11	(465,381)	-	-	(465,381)	244,175
Net income/(expenditure)		1,704,480	(721,282)	91,838	1,075,036	1,277,188
Transfer between funds	16/17	(735,289)	961,667	(226,378)	-	-
Net movement in funds		969,191	240,385	(134,540)	1,075,036	1,277,188
Reconciliation Of Funds:						
Total funds brought forward		10,246,759	3,648,990	268,217	14,163,966	12,886,778
Net movement in funds for the year		969,191	240,385	(134,540)	1,075,036	1,277,188
Total funds carried forward	17	11,215,950	3,889,375	133,677	15,239,002	14,163,966

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derive from continuing activities.

See note 15 for comparative Consolidated Statement of Financial Activities analysed by funds.

The accounting policies and notes on pages 36 to 47 form part of these accounts.

Balance Sheets

As at 31 March 2023

Fixed Assets	Notes	Group		Charity	
		2023 £	2022 £	2023 £	2022 £
Tangible assets	10	2,556,917	2,563,839	2,556,917	2,563,839
Investments	11	6,248,717	6,746,073	6,248,719	6,746,075
		8,805,634	9,309,912	8,805,636	9,309,914
Current Assets					
Stocks		14,270	15,752	-	-
Debtors	12	2,211,320	1,319,639	2,225,350	1,366,322
Current asset investments		2,531,416	2,026,457	2,531,416	2,026,457
Cash at bank and in hand		3,906,699	2,799,297	3,887,743	2,768,316
		8,663,705	6,161,145	8,644,509	6,161,095
Creditors - amounts falling due within one year	13	(2,230,337)	(1,307,091)	(2,211,143)	(1,307,043)
Net current assets		6,433,368	4,854,054	6,433,366	4,854,052
Creditors - amounts falling due after one year		-	-	-	-
Net assets		15,239,002	14,163,966	15,239,002	14,163,966
Represented by Income funds					
Designated fund	16	3,889,375	3,648,990	3,889,375	3,648,990
General fund	16	11,215,950	10,246,759	11,215,950	10,246,759
Restricted funds	17	133,677	268,217	133,677	268,217
Total Funds		15,239,002	14,163,966	15,239,002	14,163,966

The financial statements on pages 29 to 47 were approved and authorised for issue by the Board of Trustees on 2023 and signed on its behalf by:

Date
06/11/2023

Signature



Chair of the Board of Trustees

The notes on pages 36 to 47 form part of these accounts.

Consolidated cash flow statement

For year ended 31 March 2023

	Notes	Group 2023 £	Group 2022 £
Net cash provided by operating activities	19	2,030,216	1,481,673
Cash flows from investing activities			
Dividends and interest received		195,036	165,221
Purchase of tangible fixed assets		(644,866)	(391,150)
Loss on disposal of fixed assets		-	9,850
Purchase of investments		(1,583,281)	(1,193,086)
Proceeds on sale of investments		1,609,777	981,044
Movement on cash held by Investment Managers		5,479	246,337
Net cash outflow from investing activities		(417,855)	(181,784)
Change in cash and cash equivalents during the year		1,612,361	1,299,889
Cash and cash equivalents at the beginning of the year		4,825,754	3,525,865
Total cash and cash equivalents at the end of the year		6,438,115	4,825,754
Reconciliation to balance sheet:			
Cash at bank and in hand		3,906,699	2,799,297
Current asset investments		2,531,416	2,026,457
Balance at 31 March		6,438,115	4,825,754

The notes on pages 36 to 47 form part of these financial statements.



Statement of accounting policies

For year ended 31 March 2023

Company and charitable status

St Gemma's Hospice, a public benefit entity, is incorporated in England and Wales as a charitable company limited by guarantee not having a share capital. The Sisters of the Cross and Passion are the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. The charity is a registered charity. The registered office is given on page 3.

Basis of accounting

The financial statements have been prepared under the historical cost convention with the exception of investments which have been included at market value. The financial statements have been prepared in accordance with Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" 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 2020 and the Companies Act 2006.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement. The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements comprise St Gemma's Hospice and its wholly-owned subsidiary undertaking, St Gemma's Hospice Services Limited. The summarised profit and loss account for the subsidiary is shown in note 1. The results of the subsidiary are consolidated on a line by line basis.

Preparation of the financial statements – going concern basis

The principal risks facing the charity are discussed in the Trustees' report. Trustees have considered budget plans and a revised five year financial outlook in considering the sustainability of the Hospice. The Trustees have also reviewed the cash position of the charity and cash forecasts at the date of signing the financial statements and are satisfied that the charity will be able to meet all of its financial commitments for at least twelve months from the date of signing.

As a consequence, the Trustees believe that the charity is well placed to manage its financial risks successfully. After making enquiries, the Trustees have a reasonable expectation that the charity has adequate reserves to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

Income

Income is recognised when the Group and Charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income received by way of donations, fundraising events, trading, legacies, and Leeds Clinical Commissioning Groups receipts are credited in the accounts when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. These are shown gross before deductions of related expenses and net of VAT. Lottery income is from Local Hospice Lottery and the joint lottery with Sue Ryder Wheatfields Hospice and is included net after associated expenditure.



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. 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 where material.

Income tax recoverable on income received and bank interest received are included in these accounts on the accruals basis. Deferred income includes amounts received in respect of grants received for work to be carried out in the next financial year.

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. The full value of the freehold peppercorn rent is not valued due to the prohibitive cost of doing so.

All income arises in the United Kingdom.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings as follows.

Costs of raising funds include the costs incurred in generating voluntary income, fundraising trading costs, including the costs of running the charity shops, and investment management costs. Charitable expenditure has been analysed by activity, these costs enable the Hospice to meet its charitable aims and objectives.

Support costs relate to those functions that assist the work of the Hospice but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll, and governance costs which support the charity’s activities. Governance costs are associated with the governance arrangements of the charity. They include compliance with statutory and constitutional requirements, expenditure incurred on Board of Trustees meetings and legal advice for the Trustees. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

Expenditure is included in the Statement of Financial Activities inclusive of any VAT which cannot be recovered.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Board of Trustees in the furtherance of the general objectives of the charity. Designated funds are amounts that have been put aside at the discretion of the Board of Trustees. Restricted funds are funds subject to specific conditions imposed by donors. Where restricted funds are received for the purchase of fixed assets then the funds are transferred to designated funds once the purchase has been made. See Notes 16 and 17 for further information on funds and funds utilisation.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation.

Tangible fixed assets individually costing more than £1,000 are capitalised and included in the accounts at cost. Provision is made for depreciation on all tangible assets at rates calculated to write off the cost of each asset over its expected useful life as follows:

Improvements to leasehold property costs	5% per annum on a straight line basis
Fixtures and fittings	10% per annum on a straight line basis
Motor vehicles	25% per annum on reducing balance basis
Computers	25% per annum on a straight line basis

Investments

Investments are included in the financial statements at market value. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Current investments represent monies invested in short-term liquid money market instruments. In the parent charity balance sheet, investments in subsidiary undertakings are measured at cost less impairment.

Stock

Stock of purchased goods is valued at the lower of cost and net realisable value. Items donated for resale are not included in the financial statements until they are sold.

Employee benefits

The Hospice operates two pension schemes. A defined benefit scheme with the National Health Service Superannuation Scheme, is only available to staff who have previously contributed to the scheme. The administration of this scheme is dealt with by the National Health Service Pension agencies. In addition, there is a Group Personal Pension Scheme administered by Standard Life which is available to all other employees. Contributions to both Schemes are charged directly to the Statement of Financial Activities. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due. Current asset investments include short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Taxation

The company is a registered charity and has no liability to corporation tax on its charitable activities. The trading subsidiary is liable to corporation tax on its taxable profits. Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.



Notes to the Group Financial Statements

For year ended 31 March 2023

1. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

The charity has a wholly owned subsidiary, St Gemma's Hospice Services Limited which, is incorporated in the UK and registered in England. The company undertakes trading activities including the sale of bought in goods and the provision of room hire within the St Gemma's Academic Unit of Palliative Care. A summary of its trading results for the period is shown below. The company donates its taxable profit to St Gemma's Hospice under Gift Aid. Audited accounts will be filed with the Registrar of Companies.

Profit and Loss Account	2023 £	2022 £
Turnover	49,953	50,814
Cost of Sales	(17,281)	(20,353)
Gross Profit	32,672	30,461
Administrative expenses	(846)	(691)
Management charge	(21,247)	(20,200)
Operating profit	10,579	9,570
Charitable donation to St Gemma's Hospice	(10,579)	(9,570)
Retained in subsidiary	-	-
Aggregate Capital and reserves	2	2

2. INCOME FROM DONATIONS, LEGACIES AND TRUSTS

	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total £
Donations	1,302,475	133,849	1,436,324
Legacies	3,104,107	5,000	3,109,107
Trust and Grants	11,040	110,371	121,411
	4,417,622	249,220	4,666,842
2022 Comparative	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total £
Donations	1,298,233	70,985	1,369,218
Legacies	2,309,603	41,107	2,350,710
Trust and Grants	142,278	173,111	315,389
	3,750,114	285,203	4,035,317

In 2023, grants include unrestricted government grants of £nil (2022: £80,003) relating to the COVID-19 retail grant scheme and restricted furlough income from the Coronavirus Job Retention Scheme which totalled £nil (2022: £12,018).

At 31 March 2023 there were legacies totalling £1,410,319 (2022: £1,666,682) that had been notified as receivable to the charity but not included in the financial statements as their value cannot be reliably quantified.

Included in donations is gift aid received or receivable of £174,832 (2022: £154,605).

3. INCOME FROM FROM OTHER TRADING ACTIVITIES

	2023 £	2022 £
Sale of donated goods	4,050,961	3,380,441
Fundraising	606,717	544,428
Lottery	348,911	313,817
Income from wholly owned subsidiary:		
Room hire	808	-
Sale of purchased goods	45,306	48,313
Lottery License fee	3,839	2,501
	5,056,542	4,289,500

The sales of donated and purchased goods in 2023 includes donations under retail gift aid of £730,089 (2022: £579,813) and the associated gift aid of £183,332 (2022: £142,214). St Gemma's Hospice had 24 shops at the year end (2022: 24).

4. INCOME FROM CHARITABLE ACTIVITIES

	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total £
Provision of hospice services			
Grant income from NHS Leeds	4,279,346	-	4,279,346
Additional NHS Income	272,452	-	272,452
LPCN income	182,499	-	182,499
Controlled drugs income	66,788	-	66,788
COVID-19 grant income from NHSE	-	27,535	27,535
Education and research	146,322	-	146,322
Bistro	71,912	-	71,912
Other	94,024	-	94,024
	5,113,343	27,535	5,140,878

The NHSE awarded restricted funding towards the Hospice providing patient care to support the NHS COVID-19 response.

2022 Comparatives	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total £
Provision of hospice services			
Grant income from NHS Leeds	3,918,743	-	3,918,743
LPCN income	108,042	-	108,042
Controlled drugs income	27,478	-	27,478
Covid 19 grant income from NHSE	-	683,231	683,231
Education and research	142,855	-	142,855
Bistro	40,428	-	40,428
Other	8,828	-	8,828
	4,246,374	683,231	4,929,605

5. INVESTMENT INCOME

	2023 £	2022 £
Listed securities	171,673	160,771
Bank and other interest	23,363	4,450
Total	195,036	165,221

All investment income is unrestricted in both years.

6. ANALYSIS OF EXPENDITURE

Expenditure on raising funds	2023 Direct Costs £	2023 Support Costs £	2023 Total £
Costs of selling donated goods	2,459,677	261,193	2,720,870
Cost of raising income from donations, legacies, trusts and fundraising events	1,353,352	245,198	1,598,550
Investment management fees	31,390	-	31,390
Cost of wholly owned subsidiary:			
Purchased goods	39,374	-	39,374
	3,883,793	506,391	4,390,184
Expenditure on charitable activities			
Provision of hospice services			
In-Patient Care	5,257,315	618,715	5,876,030
Community Care	1,497,380	144,499	1,641,879
Out-Patients	512,982	84,727	597,709
Bereavement Support	259,232	35,425	294,657
Education and research	648,303	70,119	718,422
	8,175,212	953,485	9,128,697
Total expenditure	12,059,005	1,459,876	13,518,881
2022 Comparatives			
Expenditure on raising funds	2022 Direct Costs £	2022 Support Costs £	2022 Total £
Costs of selling donated goods	2,382,855	238,158	2,621,013
Cost of raising income from donations, legacies, trusts and fundraising events	1,188,984	174,544	1,363,528
Investment management fees	29,133	-	29,133
Cost of wholly owned subsidiary:			
Room Hire	-	-	-
Purchased goods	41,244	-	41,244
	3,642,216	412,702	4,054,918
Expenditure on charitable activities			
Provision of hospice services			
In-Patient Care	4,845,009	565,691	5,410,700
Community Care	1,471,484	138,794	1,610,278
Out-Patients	385,575	74,654	460,229
Bereavement Support	210,423	29,441	239,864
Education and research	543,347	67,294	610,641
	7,455,838	875,874	8,331,712
Total expenditure	11,098,054	1,288,576	12,386,630

7. ANALYSIS OF SUPPORT COSTS

2023	Raising Funds	In-Patient Care	Community Care	Out-Patients	Bereavement Support	Education & Research	Total
Governance	35,436	43,296	10,112	5,929	2,479	4,907	102,159
Finance	75,301	92,003	21,487	12,599	5,268	10,426	217,084
IT	87,426	106,819	24,947	14,628	6,116	12,106	252,042
HR	14,454	17,660	4,124	2,418	1,011	2,002	41,669
Admin	127,550	155,841	36,396	21,341	8,923	17,661	367,712
Estates and Facilities	139,953	170,997	39,936	23,416	9,790	19,379	403,471
Depreciation	26,271	32,099	7,497	4,396	1,838	3,638	75,739
Total	506,391	618,715	144,499	84,727	35,425	70,119	1,459,876
2022	Raising Funds	In-Patient Care	Community Care	Out-Patients	Bereavement Support	Education & Research	Total
Governance	34,232	46,920	11,514	6,192	2,442	5,583	106,883
Finance	53,780	73,716	18,086	9,728	3,837	8,769	167,916
IT	72,633	99,559	24,427	13,139	5,181	11,843	226,782
HR	31,038	42,544	10,438	5,614	2,214	5,061	96,909
Admin	74,656	102,332	25,107	13,505	5,326	12,173	233,099
Estates and Facilities	123,332	169,052	41,477	22,310	8,798	20,110	385,079
Depreciation	23,031	31,568	7,745	4,166	1,643	3,755	71,908
Total	412,702	565,691	138,794	74,654	29,441	67,294	1,288,576

The allocation is based upon the headcount in these areas, adjusted for those costs which were only incurred on the Hospice site, being IT, Finance and administration together with a proportion of building and maintenance costs.

8. NET INCOME/ (EXPENDITURE) FOR THE YEAR

This is stated after charging/(crediting):	2023 £	2022 £
Auditors' remuneration:		
Fees payable to the charity's auditor for the audit of the charity's annual financial statements	16,900	15,400
Fees payable to the charity's auditor for other services to the group taxation services:	1,950	1,900
the audit of the charity's subsidiary	3,550	3,100
reporting to group auditor	1,100	1,000
Depreciation:		
On owned fixed assets	301,348	283,758
On leased fixed assets	350,440	331,603
Rental of land and buildings under operating leases	509,590	485,740
Hire of equipment under operating leases	9,701	7,595

9. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL GROUP AND CHARITY

Aggregate remuneration comprised:	2023 £	2022 £
Wages and salaries	8,439,019	7,867,801
Social security costs	817,994	705,447
Other pension costs	671,232	607,420
	9,928,245	9,180,668


During the year, no ex-gratia payments were made totalling £nil (2022: £31,590).

The overall average and whole time equivalent (WTE) employees during the period was as follows:

	2023 No.	2023 WTE	2022 No.	2022 WTE
Provision of Hospice Services	170	135	162	129
Raising funds	84	70	74	62
Support functions	47	42	45	40
	301	247	281	231

The number of Group employees whose emoluments, excluding pension contributions and employers' national insurance, but including benefits in kind, were in excess of £60,000 was:

	2023 No.	2022 No.
£60,000 - £70,000	-	2
£70,001 - £80,000	2	2
£80,001 - £90,000	2	2
£90,001 - £100,000	1	1
£100,001 - £110,000	2	1
£140,001 - £150,000	1	1



The key management personnel of the parent Charity, listed on page 4, are the same of the Group. The total remuneration (including pension contributions and employers' national insurance) of the key management personnel of the Group for the year totalled £724K (2022: £685k). As shown above, St Gemma's Hospice has employed eight (2022: nine) employees who earned over £60,000.

Four of these are medical consultants who are directly employed on NHS equivalent contracts, in line with national agreements. The others are members of the Hospice Leadership team (HLT), responsible for running the Hospice. The Chief Executive is not the highest paid employee.

No Trustee received remuneration during the current or prior year. No travel or subsistence expenses were paid to trustees during the current or prior year.

10. TANGIBLE FIXED ASSETS

Charity and Group Cost:	Improvements to Leasehold Property £	Computer Equipment £	Fixtures and Fittings £	Assets Under Construction £	Motor Vehicles £	Total £
1 April 2022	6,670,892	779,258	3,687,819	-	49,732	11,187,701
Additions	-	113,748	319,067	212,051	-	644,866
Disposals	-	-	-	-	-	-
31 March 2023	6,670,892	893,006	4,006,886	212,051	49,732	11,832,567
Depreciation:						
1 April 2022	5,207,325	637,447	2,747,011	-	32,079	8,623,862
Charge for the year	350,440	95,995	200,940	-	4,413	651,788
Disposals	-	-	-	-	-	-
31 March 2023	5,557,765	733,442	2,947,951	-	36,492	9,275,650
Net book value:						
31 March 2023	1,113,127	159,564	1,058,935	212,051	13,240	2,556,917
31 March 2022	1,463,567	141,811	940,808	-	17,653	2,563,839

All tangible fixed assets are used for or to support charitable purposes.

11. FIXED ASSET INVESTMENTS

Charity	Valuation Listed £	Valuation Listed in GB £	Total £
Cost / market value at 1 April 2022	2	6,746,073	6,746,075
Additions	-	1,583,281	1,583,281
Disposal proceeds	-	(1,609,777)	(1,609,777)
Unrealised losses	-	(318,888)	(318,888)
Realised loss	-	(146,493)	(146,493)
Decrease in cash deposits	-	(5,479)	(5,479)
Cost / market value at 31 March 2023	2	6,248,717	6,248,719
Group		Valuation Listed £	Total £
Market value at 1 April 2022	-	6,746,073	6,746,073
Additions	-	1,583,281	1,583,281
Disposal proceeds	-	(1,609,777)	(1,609,777)
Unrealised losses	-	(318,888)	(318,888)
Realised loss	-	(146,493)	(146,493)
Decrease in cash deposits	-	(5,479)	(5,479)
Market value at 31 March 2023	-	6,248,717	6,248,717

The unlisted investment represents an investment in a subsidiary undertaking:

Name of Subsidiary	Class of Shares Held	Percentage of Shares Held
St Gemma's Hospice Services Limited	Ordinary	100%

St Gemma's Hospice also holds a minority share in an unlisted investment, Hospice Quality Partnership, which was acquired for £10.

11. FIXED ASSET INVESTMENTS (CONTINUED)

Listed Investments

The historic cost of listed fixed asset investments at 31 March 2023 was £5,209,889 (2022: £4,877,580). The investments are managed by an external fund manager. The funds can be analysed as follows:

	2023 £	2022 £
Fixed interest	686,345	683,430
UK Equities	2,212,330	3,028,802
Overseas equities	2,467,295	2,147,316
Property	187,613	216,653
Alternative Assets	520,964	490,220
Cash deposits	174,170	179,652
	6,248,717	6,746,073

12. DEBTORS

	Group		Charity	
Amounts falling due within one year:	2023 £	2022 £	2023 £	2022 £
Trade debtors	18,732	1,157	-	-
Amounts due from subsidiary undertaking	-	-	32,762	47,840
Income tax recoverable	92,676	210,372	92,676	210,372
Other debtors	1,931,339	962,932	1,931,339	962,932
Prepayments	168,573	145,178	168,573	145,178
	2,211,320	1,319,639	2,225,350	1,366,322

13. CREDITORS: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	19,196	50	-	-
Other creditors	688,781	828,869	688,783	828,871
Accruals and deferred income	1,522,360	478,172	1,522,360	478,172
	2,230,337	1,307,091	2,211,143	1,307,043

Included in Other Creditors is £284,849 (2022: £371,293) received by St Gemma's in the role of host of the Leeds Palliative Care Network, which involves collaborative working with other palliative and end of life care providers in Leeds.

14. DEFERRED INCOME

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Brought forward	91,053	6,512	91,053	6,512
Deferred income	1,287,166	84,541	1,287,166	84,541
Release in year	(80,453)	-	(80,453)	-
Carried forward	1,297,766	91,053	1,297,766	91,053

The deferred income figure includes £20,475 (2022: £21,290) for monies received to support our Academic Unit of Palliative Care in the delivery of the CNS ECHO project. £nil (2022: £29,772) has been received from the NHS Leeds for controlled drugs funding. £1,126,107 (2022: £nil) has been received from NHS West Yorkshire ICB for 2023/24 care of patients. In addition, £32,484 (2022: £39,991) has been received in advance for training courses delivered by the Academic Unit of Palliative Care. £118,699 (2022: £nil) has been received for the provision of an Inclusion Service.

15. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Income from	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 March 2022 Total Funds £
Donations, legacies and trusts	2	3,750,114	-	285,203	4,035,317
Other trading activities					
Sale of donated goods		3,380,441	-	-	3,380,441
Fundraising events		544,428	-	-	544,428
Lottery		313,817	-	-	313,817
Commercial trading operations		50,814	-	-	50,814
	3	4,289,500	-	-	4,289,500
Charitable activities – Provision of Hospice Services:					
NHS Leeds income		3,918,743	-	-	3,918,743
LPCN income		108,042	-	-	108,042
Controlled drugs income		27,478	-	-	27,478
Other grants		-	-	683,231	683,231
Education and research		142,855	-	-	142,855
Bistro		40,428	-	-	40,428
Other		8,828	-	-	8,828
	4	4,246,374	-	683,231	4,929,605
Investments	5	165,221	-	-	165,221
Total Income		12,451,209	-	968,434	13,419,643
Expenditure on					
Raising funds					
Cost of selling donated goods		2,558,797	62,216	-	2,621,013
Cost of raising income from donations, legacies, trusts and fundraising events		1,319,276	44,252	-	1,363,528
Investment management fees		29,133	-	-	29,133
Commercial trading operations		41,244	-	-	41,244
		3,948,450	106,468	-	4,054,918
Charitable activities - Provision of Hospice Services		6,790,419	631,287	910,006	8,331,712
Total expenditure	6	10,738,869	737,755	910,006	12,386,630
Net income/(expenditure) before investment gains	8	1,712,340	(737,755)	58,428	1,033,013
Net gains on investments	11	244,175	-	-	244,175
Net income/(expenditure)		1,956,515	(737,755)	58,428	1,277,188
Transfer between funds	16/17	(94,822)	107,607	(12,785)	-
Net movement in funds		1,861,693	(630,148)	45,643	1,277,188
Reconciliation of funds:					
Total funds brought forward as		8,385,066	4,279,138	222,574	12,886,778
Net movement in funds for the year		1,861,693	(630,148)	45,643	1,277,188
Total funds carried forward	17	10,246,759	3,648,990	268,217	14,163,966

16. UNRESTRICTED FUNDS

Charity and Group	1 April 2022 £	Income and net gain on investments £	Expenditure/ Gains £	Transfers £	31 March 2023 £
Designated Funds					
Research Facilitator Reserve	-	-	-	52,934	52,934
Maintenance and Gardens Reserve	312,836	-	-	(50,480)	262,356
Building Development Reserve	304,641	-	-	(90,467)	214,174
Service Transformation Reserve	257,175	-	(55,864)	-	201,311
Digital Development Reserve	171,558	-	(5,298)	404,814	571,074
COVID Response Reserve	38,941	-	(8,332)	-	30,609
Fixed assets	2,563,839	-	(651,788)	644,866	2,556,917
	3,648,990	-	(721,282)	961,667	3,889,375
General Fund	10,246,759	14,317,162	(12,612,682)	(735,289)	11,215,950
Total unrestricted funds	13,895,749	14,317,162	(13,333,964)	226,378	15,105,325

The Maintenance and Gardens fund is for ongoing building maintenance work to ensure that the Hospice is kept to the highest possible standard. The fixed asset fund represents reserves invested in fixed assets and each year a transfer is made equivalent to the value of additions in the year.

An additional £500,000 was added to the Digital Development Reserve to allow for the continued upgrade programme of IT and telephony infrastructure and to enhance IT skills across the Hospice at year end.

The Transformation fund is designated to support ongoing service development needs of the Hospice.



YEAR ENDED MARCH 2022 COMPARATIVES

Charity and Group	1 April 2021 £	Income and net gain on investments £	Expenditure/ Gains £	Transfers £	31 March 2022 £
Designated Funds					
Maintenance and Gardens Reserve	418,627	-	-	(105,791)	312,836
Building Development Reserve	350,000	-	(5,995)	(39,364)	304,641
Service Transformation Reserve	362,611	-	(105,436)	-	257,175
Digital Development Reserve	250,000	-	(10,450)	(67,992)	171,558
COVID Response Reserve	100,000	-	(25,000)	(36,059)	38,941
Fixed assets	2,797,900	-	(590,874)	356,813	2,563,839
	4,279,138	-	(737,755)	107,607	3,648,990
General Fund	8,385,066	12,695,384	(10,738,869)	(94,822)	10,246,759
Total unrestricted funds	12,664,204	12,695,384	(11,476,624)	12,785	13,895,749

17. RESTRICTED FUNDS

Charity and Group	1 April 2022 £	Income £	Expenditure £	Transfers £	31 March 2023 £
NHSE Covid funding	-	27,535	(27,535)	-	-
Restricted legacy – Dales ward	-	5,000	(5,000)	-	-
City wide education programme	10,667	-	(117)	-	10,550
Dedicated space Young People's service - NHS	57,357	-	-	(57,357)	-
Dedicated space Young People's Service - Donation	41,000	50,000	-	(91,000)	-
Postage costs – restricted donation	16,181	25,000	(20,308)	-	20,873
Training and Education	63,162	53,934	(52,934)	-	63,162
Restricted Trust Income	58,723	110,371	(70,359)	(78,021)	20,714
Sundry restricted donations	225	5,915	(6,140)	-	-
Mental Health Clinical Nurse Specialist	20,902	-	(2,524)	-	18,378
Total restricted funds	268,217	276,755	(184,917)	(226,378)	133,677

The Dedicated Space for the Young People's service has provided a building specifically for the needs of young persons within the Hospice bereavement setting.

The Citywide education programme was set up to improve the provision of palliative care across the city.

The Dedicated Space for Young People's Service is part funded by NHS Leeds.

The transfers represent expenditure on capital items within the different restricted funds.

YEAR ENDED MARCH 2022 COMPARATIVES

Charity and Group	1 April 2021 £	Income £	Expenditure £	Transfers £	31 March 2022 £
NHSE Covid funding	-	683,231	(683,231)	-	-
HMRC Job retention scheme	-	12,018	(12,018)	-	-
Children's bereavement service	-	41,462	(41,462)	-	-
Restricted legacy - Dales ward	-	41,107	(41,107)	-	-
City wide education programme	12,138	-	(1,471)	-	10,667
Dedicated space Young People's service - CCG	60,000	-	-	(2,643)	57,357
Dedicated space Young People's service-donation	-	41,000	-	-	41,000
Postage costs - restricted donation	-	25,000	(8,819)	-	16,181
Training and Education	65,000	-	(1,838)	-	63,162
Restricted Trust income	58,687	119,631	(109,453)	(10,142)	58,723
Sundry restricted donations	380	4,985	(5,140)	-	225
Mental Health Clinical Nurse Specialist	23,867	-	(2,965)	-	20,902
Patient & Family Engagement	2,502	-	(2,502)	-	-
Total restricted funds	222,574	968,434	(910,006)	(12,785)	268,217

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Charity	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2023 Total £
Tangible assets	-	2,556,917	-	2,556,917
Investments	6,248,719	-	-	6,248,719
Current assets	7,178,374	1,332,458	133,677	8,644,509
Current liabilities	(2,211,143)	-	-	(2,211,143)
Total net assets	11,215,950	3,889,375	133,677	15,239,002
Group	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2023 Total £
Tangible assets	-	2,556,917	-	2,556,917
Investments	6,248,717	-	-	6,248,717
Current assets	7,197,574	1,332,458	133,677	8,663,705
Current liabilities	(2,230,337)	-	-	(2,230,337)
Total net assets	11,215,950	3,889,375	133,677	15,239,002

2022 Comparatives

Charity	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2022 Total £
Tangible assets	-	2,563,839	-	2,563,839
Investments	6,746,075	-	-	6,746,075
Current assets	4,807,727	1,085,151	268,217	6,161,095
Current liabilities	(1,307,043)	-	-	(1,307,043)
Total net assets	10,246,759	3,648,990	268,217	14,163,966
Group	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2022 Total £
Tangible assets	-	2,563,839	-	2,563,839
Investments	6,746,073	-	-	6,746,073
Current assets	4,807,777	1,085,151	268,217	6,161,145
Current liabilities	(1,307,091)	-	-	(1,307,091)
Total net assets	10,246,759	3,648,990	268,217	14,163,966

19. NOTES TO THE CASHFLOW STATEMENT

Reconciliation of net incoming resources to net cashflow from operating activities	2023 £	2022 £
Net income for the reporting period	1,075,036	1,277,188
Investment income	(195,036)	(165,221)
Depreciation	651,788	615,361
Losses/(gains) on investments	465,381	(244,175)
Decrease in stock	1,482	2,474
Increase in debtors	(891,681)	(44,026)
Increase in creditors	923,246	440,072
Net cash inflow from operating activities	2,030,216	1,481,673

20. FINANCIAL COMMITMENTS

At the balance sheet date the total future minimum lease payments under non-cancellable operating leases:

	Land & Buildings		Other	
	2023 £	2022 £	2023 £	2022 £
Within one year	416,318	443,736	9,401	9,401
Between one and five years	831,042	965,346	19,461	26,141
	1,247,360	1,409,082	28,862	35,542

21. PENSION COMMITMENTS

The Hospice contributes to two pension schemes. A defined benefit scheme operated by the National Health Service Superannuation Scheme, which is only available to staff who have previously contributed to the scheme. The administration of the scheme is dealt with by the National Health Service Pension agencies. Contributions to this scheme are paid in respect of current service, and there is no liability to the Hospice in respect of past service. In addition, there is a Group Personal Pension Scheme, which is a defined contribution pension scheme, administered by Standard Life, which is available to all employees.

The charge to the Statement of Financial Activities of £671,232 (2022: £607,420) represents contributions to the funds during the period. Contributions payable to the schemes at the year end date totalling £40,862 (2022: £27,219) are included in creditors.

22. RELATED PARTIES

Control

Throughout the period, St Gemma's Hospice was ultimately controlled by the Congregation of the Sisters of the Cross and Passion of our Lord Jesus Christ. The members of the company all belong to this congregation.

Transactions

The Congregation retains freehold title to the Hospice which is let to the company on a long term lease for peppercorn rent.

Trustee donations

The aggregate amount of cash donations received from Trustees during the year was £25 (2022: £300).

Trustee relationships

Schofield Sweeney has provided legal advice in relation to our lease arrangements and governance. Chris Schofield (Trustee) is Chairman of Schofield Sweeney.

23. JOINT ARRANGEMENT

St Gemma's Hospice has an arrangement with Sue Ryder Wheatfields to operate a joint lottery for fundraising purposes, which is administered by Sterling Lotteries.

The income received during the year from this lottery was £81,752 (2022: £86,086) and is included in note 3.



St Gemma's Hospice is a local, independent charity, providing expert medical and nursing care to thousands of local people every year – all free of charge to patients and their families. If you would like more information about our work, please contact us:

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Charity Registration No: 1015941



**St.
Gemma's
Hospice**

Always caring

Registered Charity No. 1015941