



St Peter & St James Hospice
Hospice care in the heart of Sussex

St Peter & St James Charitable Trust

Annual Report and Consolidated Financial Statements

Year ended 31 March 2022

Charity number 1056114

Company number 3204919

Contents

About Us	2
From the Chair and Chief Executive	2
Who we are and how we help	3
Hospice care is full of life	3
Our history	3
Our strategy	4
Our services in 2021/22	5
Care Quality Commission (CQC)	6
Covid Response	6
Sussex Hospice Collaboration	6
Key activities in 2021/22	7
Our Income Generation Activities	10
Our Volunteers	11
Structure, Governance and Management	12
Risk Management	15
Financial Review	16
Trustees' Responsibilities	18
Independent Auditor's Report to the Members and Trustees of St Peter & St James Charitable Trust	20
Consolidated statement of financial activities	24
Balance sheets as at 31 March 2022	26
Statements of cash flows for the year ended 31 March 2022	27
Notes to the accounts	28
Key Addresses	47

About Us

From the Chair and Chief Executive

This report is the first from us in our new roles as, respectively, CEO and Chair. During 2021-22 we said goodbye to our previous Chief Executive, Barbara Williams, and our previous Chair of the Board of Trustees, Keith Banbury. We owe both a considerable debt of gratitude for their time, commitment and dedication to the charity, particularly during the challenges of the last two years.

It's fair to say that, along with other hospices and, indeed, the healthcare sector generally, St Peter & St James Charitable Trust has undoubtedly been tested in recent times: not least, due to the impact of Covid which created innumerable challenges to running an efficient, safe and effective charity. Our teams showed great commitment in rising to these challenges and we are proud to highlight some of their achievements in this report.

Looking to the future, we have clear strategic and operational objectives in place which we believe will enable us to care for more people; improve the quality of our services; develop our workforce; enhance our reputation as the leading Specialist Palliative Care provider for our community; reduce our carbon footprint; and increase our financial viability.

Our strategic intentions will stretch us and we are fully committed to striving for excellence in all we do as we continue adapting to a world impacted by the international pandemic. We are concerned about the increasing demand for palliative and end of life care in a population that is living longer with significant levels of disease. This greater demand is in the context of a real-term decrease in the funding we receive from the NHS, placing ever increasing pressure on our Income Generation teams to address the shortfall. Furthermore, the national shortage of nurses will continue to influence the way we design services and shape the care we provide to people who need us.

Nonetheless, we are excited about our future as we embrace the challenges associated with the delivery of such essential care for our population. We are lucky to have a loyal, committed community and workforce and our thanks go to each and every one of our supporters, staff and volunteers who make St Peter & St James Hospice the truly special place it is.



Harriet Creamer
Chair



Martin Powell
Chief Executive

Who we are and how we help

We provide expert and compassionate care to adults living with a life-limiting illness, at the hospice and wherever they call home. The majority of our work is helping people to live as well as they can throughout their illness and supporting families through the challenges of illness, bereavement and grief.

Our care extends long after someone's death, with a full range of bereavement support. From individual counselling, to support groups and specialised workshops, we're here for our community when it matters most.

Hospice care is full of life

Many people think a hospice is all about the building. Now more than ever we need to challenge that perception. Most of our care takes place in people's homes, in our local community. We help people to live well by relieving their symptoms, explaining what is happening to them and supporting them to spend their time in ways that matter most.

Our history

We've been here for our community for many years. Our founders, Jim and Susan Dinnage, originally ran a donkey sanctuary and after their son Peter died of cancer in 1954, St Peter's was created as a house where sick or disabled children could stay with their families. Following Jim Dinnage's death in 1963, Susan returned to our current hospice site and started St Peter & St James Holiday Home for the Disabled. It was registered as a nursing home in 1977 and in 1980 the first-ever hospice patients were admitted.

The objects of our Charity as set out in the Articles of Association are:

- To maintain St Peter & St James Hospice as a centre for the provision of nursing and palliative care for people with a progressive life-limiting illness, on a non-profit making basis, both in the Hospice and in the community;
- To advance research and education into palliative and end of life care;
- To relieve the suffering of people facing or experiencing bereavement through the provision of counselling and support;
- In recognition of its origin as a Donkey Club, to contribute to the aid and succour of needy donkeys on its premises or elsewhere.

Our donkeys (Dylan and Dudley) provide a great source of comfort (and entertainment!) to families and their loved ones.

Our strategy

As we emerge from the pandemic, we have refreshed our vision, mission, values and strategy, to ensure that everything we do is centred on delivering our core charitable objectives (including the principal activity and public benefit of the provision of hospice care and services) and delivering high quality, safe care now and in years to come.

Our vision:

A community where people live and die well according to what matters most to them. Everyone affected by life-limiting illness has access to our expertise.

Our mission:

Providing the right care, in the right place, at the right time, to everyone who needs us.

Our values:

Compassion	We show everyone empathy, kindness and respect
Integrity	We do the right thing, no matter how challenging.
Accountability	We take responsibility for our actions and outcomes.
Excellence	We strive to be outstanding and aim to exceed expectations
Inclusivity	We welcome and respect everyone

We revisited and refreshed our strategic objectives to ensure these are appropriately focused and, post pandemic, continue to be fit for purpose in order to support us in:

- delivering excellent care;
- managing our resources effectively; and
- ensuring robust governance and legal and regulatory compliance.

Our services in 2021/22

Overall this year, we have supported **903** individuals, many of whom use more than one of our services

Our community nursing team has supported **700** people and their families.

The inpatient unit has supported **149** patients and their families.

Our family support service has supported **398** people and their families.

Feedback about our services and activities:

Regarding Inpatient Unit:

"To all the lovely staff,

Please accept our sincere thanks for all the wonderful care and love given to our mum during her last days.

We were so relieved when mum was able to leave hospital and transfer to St P & St J. Within five minutes of arriving, we felt truly welcomed and an overwhelming sense of the kind of attention and consideration that we would go on to experience during mum's stay. Nothing was too much trouble. Having never previously known of St P & St J, or had first hand experience of hospice care, we did not know what to expect. It was so lovely to be able to spend so much time with mum in such beautiful surroundings, and we felt cocooned in the warmth of the love, care, attention and consideration of you all.

With heartfelt thanks and very best wishes."

"...words can not truly express just how grateful I am for all the care and support you gave to mum at STP+STJ. Thank you so much for giving my mum as calm and peaceful end of her life as possible. We will be eternally indebted as a family for the care, compassion, calming nature and immense kindness and gentleness everyone showed mum and us as a family. We always felt comfortable asking questions and respected in all our wishes.

"You are a fantastic team of doctors, nurses and support staff, everyone was wonderful.

"As a family we will continue to support all that the hospice does and will be champions of all your worth."

Regarding Community team:

"daughter rang to thank everyone involved in her mother's care. She said it was exceptional. Everyone went the extra mile and she is very grateful for the outstanding care her mother received."

Regarding Family Support Services:

"I would like to thank you for the service provided by your organisation.

I can't even begin to say how valuable it was to me, especially during those winter months at the beginning. It would be true to describe it as a lifeline.

A has been a joy to talk to and has helped to prompt interest and fun during the low times. She has done wonders in supporting me through a difficult journey.

Sincere thanks for all you have done. I will always value the service you have provided."

Care Quality Commission (CQC)

Trina Perry, our Head of Quality, is St Peter & St James' Registered Manager and will liaise regularly with the Care Quality Commission (CQC). She has had a first meeting with the newly assigned inspector who has confirmed that there are no concerns and the CQC has received positive feedback about our hospice.

Covid Response

In 2021-22, the Covid working group continued to review Government guidelines, along with guidance from our Infection Prevention Consultant. The hospice has maintained a high standard of adherence to infection prevention measures, including the use of PPE and testing for staff, patients and visitors. We have not had any reportable outbreaks of Covid this year within the hospice.

Sussex Hospice Collaboration

The seven Sussex hospices have been collaborating since 2018. Although the Covid-19 pandemic brought a pause in the collaborative work streams that had been agreed at the end of 2019, the hospices continued to support one another through mutual aid and knowledge sharing.

The workstream programme has now recommenced and is seeing growing momentum under the guidance of a Programme Manager who has been appointed to coordinate activity:-

- A Sussex-wide Project ECHO telementoring hub has been set up to deliver education in care Homes;
- Four Sussex hospices (including St Peter & St James) are sharing an online platform for mandatory training;
- A management education programme has been developed;
- There are joint posts between individual hospices;
- Work has started to create a common data set for stakeholder reporting;
- The hospices are benchmarking their costs and activity for core services;
- There is collective representation at key planning forums in the Sussex healthcare system.

We will continue these initiatives and more opportunities will be developed in the year ahead. While each hospice holds fast to its local autonomy and identity, we recognise the importance of working together to make the most of our knowledge and resources in benefitting patients and families and enhancing our sustainability.

Key activities in 2021/22

Agree a clinical strategy to shape the future of our hospice

In 2021/22 our plans were to:

- Develop our clinical model:
 - Re-design, implement and support new systems, ways of working and reporting required to introduce our new service model.
- Integrate services:
 - Use the new flexibility within our paid and volunteer workforce to ensure our services are resilient and flexible in order to meet the needs of individuals and their families.
- Develop our Family Support Services by:
 - Amalgamating 'Wellbeing' and 'Beacon View' services into one overall service, rebranded as 'Family Support Service';
 - Reviewing the range of roles and skills required to support the wider integration of services, including the introduction of a Social Work role to the service;
 - Providing a focus on rehabilitation and maintenance of skills for people living with terminal illness;
 - Creating a new activity based programme for the Living Well Centre including new volunteer roles;
 - Extending our bereavement services to reach beyond our hospice community.

2021/22 Performance:

Work on an integrated model of care has been ongoing, and has resulted in greater flexibility with two new staff nurse roles based in the community team operating across community and inpatient settings.

We have restarted Multidisciplinary Team meetings which were halted during the pandemic, with a new structure for dedicated community & inpatient meetings. We have also established new weekly meetings with the Community End of Life Care Lead for the Sussex community NHS Trust and community nursing teams working in primary care in Sussex. A ward manager was successfully appointed and started in post in January 2022. We also recruited a locum consultant to the vacant position. A community team leader role was developed and this has now been filled.

One overall Family Support Service was created and the new role of Palliative Care Social Worker introduced. This role has benefitted patients and families across all three clinical settings enhancing multidisciplinary team working. The pandemic continued to affect what face to face sessions could be offered and developed in the Living Well Centre, but online sessions continued to be well supported.

Establish an income generation plan to secure sustainable funding for the future

In 2021/22 our plans were to:

Achieve sustainable funding for the future.

2021/22 Performance:

To meet this activity we:

- Produced a hospice five year income generation strategy;
- Continued to negotiate on behalf of the Hospice for greater NHS funding for our activities;

- Developed plans to increase income from major donors and charitable trusts;
- Opened one further retail shop with more shop openings planned across the coming years;
- Employed a new online retail team to sell donated and new items through multiple online marketplace channels.

Ensure individual experience and feedback informs our service development and improvement

In 2021/22 our plans were to:

- Introduce VOICES - both online and paper based versions;
- Create a cross organisational group to meet regularly to review positive and negative feedback, create case studies, develop an organisation wide understanding of customer care and promote learning.

2021/22 Performance:

We introduced the VOICES questionnaire in January 2022 and in Quarter 4 achieved a 39% response rate which was higher than the national average of 25%.

In addition to VOICES we have also developed a Patient Experience of Care questionnaire and this was launched in Quarter 1 of the new financial year.

A new post of Head of Quality was created (starting just after the end of the financial year, in April 2022) to focus on standards of care and learning from feedback across the organisation.

Improving our communications

In 2021/22 our plans were to:

Embed our digital transformation by:

- Consolidating our overall vision for how we will use our IT resources and ensure staff and volunteers have appropriate training and input to maximise the value of IT in their roles;
- Creating increased resilience in our use and storage of personal data and our governance reporting by creating a Data and Administration Team. The team is made up of staff from different teams who have a role in managing data and reporting from our key systems.

Increase our brand awareness by:

- Creating a communications strategy designed to ensure our services are promoted and understood by key stakeholders in NHS and Social Care services as well as individuals in our community;
- Build on our baseline assessment of brand awareness in our key catchment area, by developing strong local campaigns targeting our key service user demographic;
- Develop a new website which emphasises our community focused services and allows users a stronger level of interaction with the hospice;
- Produce a portfolio of promotional literature to reinforce our brand in the local community.

2021/22 Performance:

- Developing plans to migrate our systems onto one Microsoft platform to allow greater functionality and alignment across all hospice teams;

- Implementing high quality processes when handling patient data and streamlining practice to produce meaningful statistics;
- Strengthened further our commitment to outstanding information governance by improving key governance practice through:
 - streamlining key processes to develop improved outcomes;
 - providing governance and systems training to information asset owners and staff involved in information processing;
 - improving reporting, evaluation and investigation practices.

Increased our brand awareness by:

- Employing two full time marketing and communications professionals to form a new Marketing team;
- Creating a marketing plan which engages key stakeholders and builds the reputation of St Peter & St James Hospice in the local community;
- Developing a new website allowing users to have a greater level of interaction with the hospice service;
- Planning and developing a portfolio of key stakeholder literature to promote our services and increase brand awareness.

Operate a well-governed, sustainable business

In 2021/22 our plans were to:

- Review our Governance framework to consider whether any adjustments are required;
- Re-introduce Trustee Visits and consider new ways for Trustees to have direct access to staff and volunteers as a route to providing assurance.

2021/22 Performance:

- A full review of the Charity Code of Governance was carried out in February 2022 which identified a number of actions required to ensure full compliance with the Code. The Action Plan will be monitored by the Board and its committees during 2022/23;
- It has not been possible to arrange Trustee assurance visits due to continued pandemic restrictions during the year 2021/22. However, Trustees have been represented at, and in some cases led, on-line "Open Talk" sessions to which all employees and volunteers are invited and have attended team meetings in small groups to discuss achievements and challenges.

Our future strategy 2022 - 2025

Following the appointment of a new Chair and CEO, and reviewing the current economic and political climate within which we operate, we developed a new 3-year strategy with the following aims:

1. Financial sustainability;
2. Provide excellent care and support to all who need it;
3. Attract, retain and develop a highly-skilled and engaged workforce;
4. Community recognition;
5. Net zero by 2030.

We look forward to reporting our progress in future reports.

Our Income Generation Activities

The financial year was heavily impacted by the effects of the Coronavirus pandemic and the three resulting lockdowns, which curtailed many of our public fundraising plans. However, the financial support we received from individuals, families, community groups and local businesses was vital to help us continue to provide our hospice services throughout the pandemic. We are extremely grateful to everyone in the local community who supports us to care for people at the end of their lives.

Despite a difficult trading environment our Retail operations achieved a record turnover of £1,393,673. Our strategy focuses on the further development of our retail business over the next five years by increasing the number of shops and developing our online retail channels.

We are registered with the Fundraising Regulator and comply with their code of conduct and we are committed to the highest standards in fundraising practice. We are also committed to the highest standards of data management whilst handling sensitive, personal data relating to our patients, supporters and staff. The hospice has a dedicated information governance group, which develops policy based on compliance with GDPR and other data regulation

We solicit donations through:

- Proactively promoting the benefits and importance of leaving the hospice a legacy;
- Undertaking targeted fundraising campaigns, including postal and digital communication;
- Using stories and information to promote the hospice and raise awareness of the services we offer and the care we deliver. We use our own literature, the local press and social media to promote such stories;
- Promoting an annual calendar of events and community activities, encouraging supporters to participate and raise funds for the hospice;
- Our lottery, which is outsourced to the Local Hospice Lottery, a professional fundraising organisation;
- Employing CF Fundraising to be our regular giving representatives in locations throughout our local community;
- Companies, charitable trusts & foundations, and other statutory grant giving organisations.

Our Volunteers

Volunteering continued to be affected by the pandemic throughout most of 2021/2022. During the various lockdowns, we were unable to offer face to face volunteer roles in the Living Well Centre, counselling and befriending and only had a limited number of volunteers returning to retail and the distribution centre. Garden and donkey care continued safely outside, counsellors and befrienders offered telephone support and the Living Well Centre ran online therapy sessions remotely. Since the lockdown was lifted in January 2022, the majority of volunteers have returned to their roles. All volunteers that returned in face to face roles completed re-orientation sessions to receive updates on departmental changes, COVID-19 guidelines, and mandatory training and DBS renewals where applicable. With the opening of the Distribution Centre in July 2021, the number of volunteers based there has increased for sorting donations, packing for online sales and assisting with house clearances. New shops opening in Brighton and Hove will generate an increase in volunteer numbers once they become established. We currently have 435 volunteers, with a small number awaiting the re-opening of the Living Well Centre, to provide face to face therapy sessions and complementary therapy.

In January 2022, the Fundraising team won the bid for "The Big Give Campaign". The aims of the project are to offer skills and volunteering opportunities to people in our local rural community that have been affected by unemployment or lack of access to further education. This relates well to the development of new roles on the ward; Volunteer Ward Support and Administration and Customer care in retail. The objective is for individuals to gain experience in the care sector, to support university applications and attract volunteers that come from a clinical background who already have experience and skills or those wanting experience in customer service. The grant has enabled the recruitment of a Community Volunteer Development Coordinator for 18.5 hours a week on a 1 year contract to reach out to the wider community, expand Equality, Diversity and Inclusion volunteering opportunities and forge relationships with local colleges, job centres and volunteer centres.

Volunteer engagement has increased with the bi-monthly Volunteer Cheer newsletter highlighting volunteer achievements. The Volunteer Forum has continued to meet remotely to improve the volunteer experience and contribute towards a volunteer engagement survey released in May 2022. The results of this will be addressed in 2022/23. We held our annual Volunteer Awards Evening at Pangdean Barn for volunteers celebrating long service and special volunteer awards to recognise contributions as voted by employees and volunteers. It was well attended and enjoyed by all.

In September 2021, an additional member of staff (Volunteer Coordinator) was recruited for 15 hours a week to assist with the recruitment of volunteers and provide additional support for shop managers and the retail team in the volunteer onboarding process. We implemented a volunteer management system called Better Impact, in order to store volunteer personnel records, improve administrative processes and enable us to produce statistical reports and support volunteer managers to better manage their volunteer teams. The installation and data transfer will continue through 2022/23. Volunteers will be able to apply for roles electronically, amend their personal records themselves, log volunteering times and select available shifts.

Structure, Governance and Management

St Peter & St James Charitable Trust (the “Charity”) is a Company limited by guarantee, not having a share capital. It is governed by a Board of Trustees following the Articles of Association adopted on 3 October 2018 in place of its previous constitutional documents..

The Hospice operates a number of shops selling principally donated goods. St Peter & St James Hospice Shops Ltd (“Shops”) is a wholly-owned subsidiary of the charity whose main purpose is to sell a small range of new goods through the Hospice’s shops.

The Friends of St Peter & St James (“Friends”) is a ‘linked’ charity to St Peter & St James Charitable Trust.

The total of the three entities above is referred to in this report as the “Group”.

The Group is administered by a Board of Trustees that meets regularly throughout the year. The Chief Executive is appointed by the Trustees to manage the executive operation of the Charity with the support of the Executive Team and has delegated authority for the day-to-day management of the Charity.

The following Committees each continued to support and report to the full Board throughout the financial year.

- Quality and Safety Committee;
- Finance and Resources Committee;
- Income Generation Committee;
- People Committee;
- Board Development Committee.

Membership of all Committees includes both Trustees and members of the Senior Leadership Team.

The Board Development Committee is responsible for overseeing Hospice governance and for the recruitment, induction and training of Trustees. It uses a skills and experience audit to determine the skills requirements for new Trustees when a vacancy arises, ensuring the Board and its Committees have the requisite skills and experience to function effectively.

Trustee vacancies are advertised on the Hospice website and prospective Trustees are shortlisted for interview. Following a successful interview, a recommendation is made to the Board which then decides whether to appoint. Prospective Trustees are invited to a Board meeting as observers before the appointment decision.

Following the appointment, Trustees are provided with governance documentation and current operational reports and are offered a structured induction programme.

The term of office for individual Trustees is four years, with a maximum of one renewal. New Trustees appointed by the Board are subject to formal appointment at the next AGM. The position of Chair of Trustees is held for a maximum period of 5 years.

During 2021/22, the Executive Team comprised the Chief Executive, Clinical Director, Director of Income and Operations, Head of Finance and Head of People Services, working with the Trustees to provide leadership and direction to the organisation.

The Senior Leadership Team is made up of Heads of Service and managers responsible for the delivery of services and activities.

The Chief Executive salary is determined using an independent salary survey, developed in association with Hospice UK. Senior Leadership Team salaries are part of a pay structure that was created in 2021

following a systematic job evaluation of all roles within the hospice, using an independent job evaluation and benchmarking tool.

Collaboration and coordination are key in enabling the Charity to provide excellent personalised care. As well as the collaboration with other Sussex Hospices already referred to, the Hospice strives to maintain good working relationships with local GPs, Clinical Commissioning Groups/Integrated Care System, local authorities, other healthcare providers, and charities, including other Hospices.

Patrons

Anne Billson
The Viscount Brentford
Sir Edward Cazalet
Katie Derham
Edward Fox OBE
Piers Morgan
Lisa Welton

Trustees

Keith Banbury OBE (Resigned 6 October 2021)
Dr Nick Barrie
Caroline Cauvin
Andrew Cook
Harriet Creamer (Chair, appointed 6 October 2021)
John Hills
Ian Johnstone (Resigned 21 January 2022)
Robin Knight
Isabelle Otway
Deirdre Prower
Patricia Robinson
Lesley Strong

Executive Team

Chief Executive

Martin Powell (Appointed 1 December 2021)
Barbara Williams (Resigned 8 December 2021)

Clinical Director

Dr Charles Skinner

Director of Income & Operations

Giles Witcomb

Head of Finance

Andrew Collins (Resigned 17 June 2022)

Head of People Services

Melissa Le Palud

Risk Management

The Trustees, together with the Senior Leadership Team, regularly review and monitor risks the Charity is exposed to and ensure that appropriate controls are put in place to mitigate risks.

Risks are monitored in four key areas linked to our committee structure: Finance and Resources, Quality and Safety, Income Generation and People.

Risks are reviewed regularly by the risk owners in the Senior Leadership Team and changes reviewed and discussed in Committee meetings and by the full Board.

The top risks currently identified by the organisation are:

1. Recruitment;
2. Availability of retail stock;
3. Decrease in legacy income;
4. Cybersecurity;
5. Staffing vulnerability (single points of failure);
6. Lack of development of key projects;
7. Decreased income from Private Site Fundraising;
8. Decreased net income;
9. Failure to comply with statutory compliance (e.g. Asbestosis/fire, water and waste management);
10. Medication Error.

Financial Review

2021-22

The total income of the Group in 2021-22 was £5,162,149, (2021: £5,184,860)

Expenditure increased by 2.3% to £4,771,262 (2021: £4,662,289)

Income from donations and fundraising decreased by 20% to £1,230,186 (2021: £1,535,987) as public facing fundraising (events & community) continued to feel the effects of the pandemic.

£1,314,624 of legacies were recognised in the year (2021: £499,972). Of this, £848,869 were accrued with probate having been granted and funds expected to be received in 2022-23, which includes the exceptional early release of £500,000 funds from a Will Trust.

£189,357 of NHS England grant income was received in the year, secured through Hospice UK in response to the pandemic (2021: £999,350).

Income from trading activities increased by 75% to £1,577,790 (2021: £900,077), not only reaching pre-pandemic levels but also the highest level turnover achieved of £1,393,673 which excludes retail government grants and a Business Interruption insurance claim totalling £184,117.

Income from Charitable activities saw a decrease of 77% to £77,234 (2021: £330,222), due to the significant reduction of Government funded beds (provided through the Clinical Commissioning Groups (CCG's).

Trading expenditure increased by 39% to £1,206,800 (2021: £871,239) due to an increase in the number of shops providing increased income of £226,254 for the Trust.

Charitable expenditure decreased by 15% to £2,992,421 (2021: £3,505,742), and comprised 63% of total expenditure (2021: 75%).

Fundraising costs doubled (99%) to £568,495 (2021: £284,687) as the team has begun to rebuild income during the year.

Investment income decreased by 37% to £12,065 (2021: £19,178), however the market value of investments increased by £7,238 (2021: £54,050).

At 31 March 2022 the total surplus of the group for the year was £398,125 (2021: £576,621), with total funds increasing to £6,494,159 (2021: £6,096,034).

Investment Performance

Between 1 April 2021 and 31 March 2022 the capital value of the FTSE 100 increased by 12% (from 6737 to 7538 points). In the same period The St Peter & St James Charitable Trust portfolio increased by 2% in capital terms to £499,898 (2021: £489,007).

The portfolio is managed in line with the Trustees' conservative approach to risk (2 on a scale of 1 to 6).

Investment Policy

The Charity's key objective with its investment portfolio is the protection of its investments in real terms. The Charity has a full discretionary management agreement with investment advisers Rathbones, based on achieving a balance of capital growth and income within a low-risk environment.

Given the nature of the service provided by the Charity and the evidence-based links between some serious health conditions and tobacco, no direct investment is made in any company that produces tobacco products.

In addition, the Charity does not directly invest in companies involved in mining, trading arms, or fossil fuels.

Cash Deposit Policy

Other funds are held in short-term, interest-bearing cash accounts with major UK banks. Deposits in any one banking group are subject to a maximum of £450,000 and are placed for no longer than twelve months. Term deposits are placed if cash flow projections show that the funds are temporarily surplus to operational requirements.

Reserves

The Group's free reserves increased to £3,447,997 as at 31 March 2022 (2021: £3,396,437) after designating a Capital Replacement Fund of £81,000 (2021: £278,462), and a Legacy Accrual Fund of £848,689 (2021: £111,921). This is equivalent to 7 months' running costs (based on the 2022-23 organisational budget).

The Trustees' policy in respect of free reserves ('General Funds') is that, because of the ongoing increase in the scale of Charity's activities and cost base, the minimum level of free reserves should be £1m, and ideally representing a minimum of six months' full running costs. Also, in recognition of the ongoing need for capital investment to replace and, where appropriate, enhance the Charity's assets, Trustees have created a Capital Replacement Fund for this purpose.

The Trustees' objectives are:

- that free reserves should be held at a sum sufficient to avoid an unacceptable level of disruption to services in the event of an unexpected downturn in income; and
- to recognise the need for continuing investment to maintain the quality of the Charity's assets to an adequate standard.

The reserves position is monitored by the Finance and Resources Committee, which reports to the Board.

Total Funds

The total funds held at the end of the reporting period (31 March 2022) were £6,494,159 for the Group of which £6,466,588 was held by the Charity. It should be noted that, of these funds, £2,058,665 represents the value of land and buildings used for the provision of the Charity's hospice services and is therefore not available to spend for operational purposes. The split between general, restricted and designated funds held by the Group at the end of the reporting period is below:

Total Funds of the Group on 31 March 2022:

Tangible Fixed Assets	£2,058,665
Legacy Accrual Fund	£848,689
Other Designated Funds	£96,911
Group General Funds	£3,447,997
Restricted Funds	£41,897
Total Funds	£6,494,159

Tangible Fixed Assets are Designated Funds that can only be realised through the disposal of those assets.

Trustees' Responsibilities

The Trustees (who are Directors of St Peter & St James Charitable Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 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.

Auditors

A resolution re-appointing Knill James LLP as auditors to the Charity was proposed and passed at the Annual General Meeting.

Acknowledgements

The Trustees extend their thanks to:-

- All members of staff and volunteers for their hard work and dedication to the Charity;
- All Support Groups who raised funds for the charity during the year;
- All the individuals, corporate bodies, Trusts, and media organisations too numerous to mention who have so generously helped and supported the Charity during the year.

This report, and the Strategic Report included in it, was approved by the Board on 7th September 2022.

A handwritten signature in black ink, appearing to read 'Harriet Creamer', written over a dotted line.

Harriet Creamer

Chair

Independent Auditor's Report to the Members and Trustees of St Peter & St James Charitable Trust

Opinion

We have audited the financial statements of St Peter & St James Charitable Trust (the 'parent charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and 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 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 auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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, is detailed below:

Based on our understanding of the group and parent charitable company and industry, we identified that the principal risks of non-compliance with laws and regulations related to ensuring compliance with all CQC requirements, employment regulation and health and safety legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and the Charities Act 2011. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings;
- Performing audit procedures on the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of any significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

Use of report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable companies trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Filsell FCA (Senior Statutory Auditor) Knill James LLP

For and on behalf of Knill James LLP, Statutory Auditor

Date 9 September 2022

Consolidated statement of financial activities

(incorporating a consolidated income and expenditure account) for the year ended 31st March 2022

		2022	2022	2022	2022	2021
Income:	Note	Unrestricted £	Designated £	Restricted £	Total Funds £	Total Funds £
Donations and legacies:						
Donations	2	1,122,417	3,721	104,048	1,230,186	1,535,987
Legacies	3	1,314,624	-	-	1,314,624	499,972
Grants	4	574,068	-	376,182	950,250	1,899,424
Total donations and legacies		3,011,109	3,721	480,230	3,495,060	3,935,383
Trading activities	5	1,577,790	-	-	1,577,790	900,077
Income from charitable activities	6	44,268	-	32,966	77,234	330,222
Investment income	7	12,065	-	-	12,065	19,178
Total income		4,645,232	3,721	513,196	5,162,149	5,184,860
Expenditure:						
Shop costs	8	1,206,800	-	-	1,206,800	868,643
Fundraising Costs	8	568,495	-	-	568,495	284,687
Investment management costs	8	3,546	-	-	3,546	3,217
Costs of raising funds		1,778,841	-	-	1,778,841	1,156,547
Expenditure on charitable activities	8	2,376,246	-	616,175	2,992,421	3,505,742
Total expenditure	8	4,155,087	-	616,175	4,771,262	4,662,289
Net income/(expenditure) for the year before gains and losses on investments		490,145	3,721	(102,979)	390,887	522,571
Net gains on investments		7,238	-	-	7,238	54,050
Net income/(expenditure) for the year		497,383	3,721	(102,979)	398,125	576,621
Transfers between funds		(445,823)	445,823	-	-	-
Net movement in funds		51,560	449,544	(102,979)	398,125	576,621
Reconciliation of funds:						
Total funds brought forward		3,396,437	2,554,721	144,876	6,096,034	5,519,413
Total funds carried forward		3,447,997	3,004,265	41,897	6,494,159	6,096,034

All amounts relate to continuing activities of the group.

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes to the accounts are shown on pages 28 to 46.

Balance sheets as at 31 March 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Tangible assets	15	2,058,665	2,152,148	2,058,665	2,152,148
Investments	16	499,898	489,007	589,898	579,007
		2,558,563	2,641,155	2,648,563	2,731,155
Current assets					
Debtors	17	1,420,124	437,421	1,477,957	454,233
Current asset investments		1,874,872	2,147,024	1,874,872	2,147,024
Cash at bank and in hand		825,871	1,045,193	634,222	909,807
		4,120,867	3,629,638	3,987,051	3,511,064
Liabilities					
<i>Creditors: amounts falling due within one year</i>	18	(185,271)	(174,759)	(169,026)	(167,855)
Net current assets		3,935,596	3,454,879	3,818,025	3,343,209
Total assets less current liabilities		6,494,159	6,096,034	6,466,588	6,074,364
Total net assets		6,494,159	6,096,034	6,466,588	6,074,364
The funds of the charity:					
Restricted income funds	20	41,897	144,876	41,897	144,876
Unrestricted funds					
Designated funds	21	3,004,265	2,554,721	3,078,354	2,637,423
General funds	21	3,447,997	3,396,437	3,346,337	3,292,065
Total unrestricted		6,452,262	5,951,158	6,424,691	5,929,488
Total funds	22	6,494,159	6,096,034	6,466,588	6,074,364

Approved by the trustees on 7th September 2022 and signed and authorised for issue on their behalf by:


H Creamer


A Cook

The notes to the accounts are shown on pages 28 to 46.

Statements of cash flows for the year ended 31 March 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash flows from operating activities:					
Net cash provided by/(used in) operating activities	27	(447,925)	594,089	(504,188)	542,857
Cash flows from investing activities:					
Dividends, interest and rents from investments		12,065	19,178	12,065	19,178
Proceeds from the sale of property and equipment		-	1,250	-	1,250
Purchase of property, plant and equipment		(49,989)	(62,623)	(49,989)	(62,623)
Proceeds from sale of investments		207,995	108,070	207,995	108,070
Purchase of investments		(213,620)	(112,973)	(213,620)	(112,973)
Net cash provided by/(used in) investing activities		(43,549)	(47,098)	(43,549)	(47,098)
Change in cash and cash equivalents in the reporting period		(491,474)	546,991	(547,737)	495,759
Cash and cash equivalents at the beginning of the reporting period		3,192,217	2,645,226	3,056,831	2,561,072
Cash and cash equivalents at the end of the reporting period	28	2,700,743	3,192,217	2,509,094	3,056,831

The notes to the accounts are shown on pages 28 to 46.

Notes to the accounts

1 Accounting policies

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

a) Basis of preparation

The Trust meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with the Trust's Memorandum and Articles of Association, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the Charity.

b) Going concern

The financial statements are prepared on a going concern basis. The Trustees believe that there are no material uncertainties about the Charity's ability to continue as a going concern, after taking into account the further risks and reduced income levels from the impact of Covid-19.

c) Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

d) Group financial statements

The financial statements consolidate the results of the Charity, its wholly owned subsidiary, St Peter & St James Hospice Shops Ltd and the Friends of St Peter & St James on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

e) Fund accounting

Unrestricted funds

Unrestricted funds, which have not been designated for other purposes, are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Designated funds

Designated funds are unrestricted funds of the Charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. The aim and purpose of each designated fund is set out in the notes to the financial statements.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restriction imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements. Where possible, the cost of administering such funds is charged against the specific fund.

Fixed Assets

Fixed assets purchased without further restrictions are transferred to unrestricted funds in the year of purchase.

f) Income recognition

All incoming resources are included in the financial statements when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Legacies receivable are included in the accounts when they satisfy the following three criteria:

Entitlement - control over the rights or other access to the economic benefit has passed to the Charity

Probable - it is more likely than not that the economic benefits associated with the transaction or gift will flow to the Charity

Measurement - the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can also be measured reliably.

When donors impose conditions, which require a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Residuary legacies

In relation to residuary gifts, as at the year end, the income recognition criteria above will be treated as satisfied if:

1. Notification or copy of the Will received;
2. Confirmation of the Grant of Probate;
3. Accounts received showing sufficient funds in the estate (either schedule of assets & liabilities or preferably estate accounts); and
4. Value of final gift confirmed.

Pecuniary legacies

The criteria for pecuniary legacies over £5,000 are the same as gifts of the same or greater value. Gifts below this level will be recorded by date of receipt.

Gifts in Kind

Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost.

Donated services and facilities

Material donated professional services and donated facilities are recognised as income when the three criteria of Entitlement, Probability and Measurement above have been met. In accordance with the Charities SORP (FRS 102), non-professional volunteer time is not recognised in the accounts.

g) Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of Raising Funds

Costs of raising funds comprises **fundraising costs** incurred in seeking donations, grants and legacies, and costs of fundraising activities; **shop costs** comprise costs of goods sold, commercial trading costs, and their associated support costs; and **investment management fees**. Fundraising costs do not include the costs of generating and reporting management information in respect of the charitable activities.

Expenditure on charitable activities

Expenditure on charitable activities includes the costs of providing specialist palliative care and support, community services, research and other educational activities undertaken to further the purposes of the Charity and their associated support costs.

Support Costs

Support costs are those that assist the work of the Charity but do not directly represent charitable activities - i.e. incurred directly in support of expenditure on the objects of the Charity. They include:

Administration costs - Includes the clinical database, clinical administration, general administration, IT, information governance, management and HR (includes employee and volunteer support and administration, staff and volunteer mandatory training costs plus clinical staff CPD);

Finance costs - Includes payroll and accounts; and

Governance costs - Those costs incurred in connection with compliance with constitutional and statutory requirements and strategic planning of the Charity.

Allocation

Support costs are allocated to each of the activities on one of the following bases: HR and volunteers' costs based on headcount and all other costs based on estimate of resource used.

Irrecoverable VAT

Irrecoverable VAT is not charged as a cost against the activity for which the expenditure was incurred, but is charged as a separate overhead.

h) Volunteers

In accordance with FRS 102 and the Charities SORP (FRS), the economic contribution of non-professional volunteers is not recognised in the accounts. Further detail of their contribution is provided in the notes to these financial statements and in the Strategic Report.

i) Fixed assets

Assets costing more than £1,000 are capitalised at their historical cost when purchased. Costs include expenditure directly attributable to making the asset capable of operating as intended.

Depreciation is provided to write off the cost or revalued amount of all fixed assets on a reducing balance basis over their expected economic useful lives as follows:

Freehold land	Nil
Freehold property	5%
Fixtures, fittings and equipment	15% or 20%
Computer equipment	33 %
Motor vehicles	25%
Equipment (Shops)	25%

j) Investments

Fixed Asset Investments

Fixed Asset Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, except for the shares in the trading subsidiary which are carried at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Current Asset Investments

Current asset investments are short term liquid investments, which are not required to cover day to day running costs. These comprise cash on deposit and cash equivalents held with other organisations other than our current bankers.

The Charity does not acquire derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity in relation to investments is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

k) Stock

Stock of retail purchased goods is included at the lower of cost or net realisable value. Donated items of stock for resale are not included in the financial statements until they are sold because the Trustees consider it impractical. Stock is donated through a range of different outlets. To assess the amount of donated stock and undertake a coordinated stock take would incur undue cost for the Charity which would far outweigh the benefit.

l) Debtors

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. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

m) Cash at bank and in hand

Cash at bank and cash in hand comprises cash required for the daily running costs of the Charity.

n) Creditors

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The Charity contributes to the defined benefit scheme (NHS Superannuation) for eligible staff and operates a defined contribution scheme for other staff. The contributions to the schemes are recognised as an expense in the financial statements as they become payable.

The NHS scheme may be defined as a defined benefit multi-employer plan; however, the Charity does not have any share of the underlying assets or liabilities. The contributions are determined by the Government actuary, and there is no further obligation from the Charity other than the initial contributions due.

q) Operating leases

Operating leases are recognised over the period in which the cost is incurred.

Notes to the accounts

2 Donations	2022	2021
	£	£
General Donations and Fundraising Events	1,097,709	1,342,776
Gift Aid	110,415	177,386
Other	22,062	15,825
	1,230,186	1,535,987

The income from donations was £1,230,186 (2021: £1,536,987) of which £1,126,138 was unrestricted (2021: £1,457,053) and £104,048 was restricted (2021: £79,934).

3 Legacies	2022	2021
	£	£
Legacy income	1,314,624	499,972
	1,314,624	499,972

The income from legacies was £1,314,624 (2021: £499,972) all of which was unrestricted.

Legacy income includes an exceptional early release of £500,000 funds from a Will Trust.

4 Grants received	2022	2021
	£	£
NHS Clinical Commissioning Group Grants	626,457	623,342
Covid-19 Grants	189,357	999,350
Other Statutory Grants	-	67,980
Trust and Other Fundraising Grants	134,436	208,752
	950,250	1,899,424

Government Grants

Government grants received from NHS Clinical Commissioning Groups ("CCGs") were £626,457 (2021: £623,342), of which £526,618 was unrestricted (2021: £523,999) and £99,839 was restricted (2021: £99,343). Restricted grants were for Specialist Palliative Care cover for weekends and Bank Holidays and for the provision of palliative care consultant sessions at Princess Royal Hospital, Haywards Heath.

The 2022 NHS CCG Grants figure includes £56,388 funding from NHS Horsham & Mid-Sussex CCG restricted for the provision of palliative care consultant sessions at Princess Royal Hospital, Haywards Heath (2021: £56,109).

Covid-19 Grants include response grants of £189,357 received in this financial year from National Health Service England (NHSE).

The NHSE funding awarded allowed the hospice to make available bed capacity and community support to people with complex needs in the context of the COVID-19.

Total income from grants received was £950,250 (2021: £1,899,424) of which £574,068 was unrestricted (2021: £622,529) and £376,182 restricted (2021: £1,276,895).

Included in Trust and Other Fundraising Grants were the following local authority and parish council

grants: £500 from Maresfield Parish Council (2021: nil) £1000 from Uckfield Town Council (2021: nil).

5 Trading Activities	2022	2021
	£	£
Shop income from sale of donated goods and new goods	1,366,773	526,926
Covid-19 Business Grants & Insurance Claims	184,117	366,051
Income from Shops donated Goods Gift Aid Scheme:		
- Gift aid income from sale of goods on an agency basis	26,900	7,100
Total income from Trading Activities: Shops	1,577,790	900,077
Shops and trading activity costs net of Charity administration fee	1,168,190	852,039
Trust support costs allocated to Shops	38,610	19,200
Total expenditure from Trading Activities	1,206,800	871,239
Net Profit arising from Trading Activities	370,990	28,838

All shop income in both the current and previous year relates to unrestricted funds.

Covid-19 Business Grants were awarded by HM Government under the Retail, Hospitality and Leisure scheme (RHL) to support businesses that needed to shut for periods of time during the pandemic. A Business Interruption insurance claim for £144,000 was accrued with receipt in 2022/23.

6 Income from charitable activities	Government Funding	Other funding	2022	2021
	£	£	£	£
Funded Beds	34,586	2,216	36,802	289,581
Befriending	32,966	-	32,966	34,966
Wellbeing Funded Therapy	-	-	-	(4,440)
Education and Training	-	7,466	7,466	10,115
Total	67,552	9,682	77,234	330,222

The income from charitable activities was £77,234 (2021: £330,222) of which £44,268 was unrestricted (2021: £299,696) and £32,966 restricted (2021: £30,526).

Government funding

Funded Beds includes government funding from CCGs of £34,586 (2021: £234,688) to cover residential inpatient care for patients, with individual funding agreed for each patient.

Befriending; West Sussex County Council ("WSCC") and East Sussex County Council ("ESCC") both provide funding to support carers of patients of the Charity and improve their wellbeing.

7 Investment income	2022	2021
	£	£
Rental Income	1,270	1,020
Dividends - equities	7,909	8,387
Bank Interest	2,886	9,771
	<u>12,065</u>	<u>19,178</u>

Investment income received was £12,065 (2021: £19,178). All investment income was unrestricted.

8 Analysis of Expenditure	Direct Costs	Support costs (note 10)	2022	2021
	£	£	£	£
Costs of Raising Funds				
Shop costs	1,168,190	38,610	1,206,800	868,643
Fundraising Costs	390,889	177,606	568,495	284,687
Investment Management Costs	3,546	-	3,546	3,217
Total Cost of Raising funds	1,562,625	216,216	1,778,841	1,156,547
Charitable Activities				
Hospice	1,650,177	378,380	2,028,557	1,397,322
Community Care	573,970	162,163	736,133	652,911
Wellbeing	211,993	15,444	227,437	337,711
Funded Beds	-	-	-	1,116,906
External Clinical Services & Training	294	-	294	892
Total Charitable Activities	2,436,434	555,987	2,992,421	3,505,742
Total	3,999,059	772,203	4,771,262	4,662,289

Of the total expenditure of £4,771,262 (2021: £4,662,289), all expenditure for raising funds of £1,778,841 (2021: £1,156,547) was unrestricted. Of charitable activities expenditure of £2,992,421 (2021: £3,505,742); £616,175 (2021: £1,310,365) was restricted and £2,376,246 (2021: £2,195,377) was unrestricted.

9 Comparative Funds - Statement of Financial Activities for the year ending 31 March 2021

	2021	2021	2021	2021
	Unrestricted	Designated	Restricted	Total
	£	£	£	Funds
				£
Income:				
<i>Donations and legacies:</i>				
Donations	1,451,161	4,892	79,934	1,535,987
Legacies	499,972	-	-	499,972
Grants	622,529	-	1,276,895	1,899,424
<i>Total donations and legacies</i>	2,573,662	4,892	1,356,829	3,935,383
<i>Trading activities</i>	900,077	-	-	900,077
<i>Income from charitable activities</i>	299,696	-	30,526	330,222
<i>Investment income</i>	19,178	-	-	19,178
<i>Other income</i>	-	-	-	-
Total income	3,792,613	4,892	1,387,355	5,184,860
Expenditure:				
Shop costs	868,643	-	-	868,643
Fundraising Costs	284,687	-	-	284,687
Investment management costs	3,217	-	-	3,217
Costs of raising funds	1,156,547	-	-	1,156,547
Expenditure on charitable activities	2,195,377		1,310,365	3,505,742
Total expenditure	3,351,924	-	1,310,365	4,662,289
Net income for the year before gains on investments	440,689	4,892	76,990	522,571
Net gains on investments	54,050	-	-	54,050
<i>Net income/(expenditure) for the year</i>	494,739	4,892	76,990	576,621
Transfers between funds	256,839	(256,839)	-	-

Net movement in funds	751,578	(251,947)	76,990	576,621
------------------------------	----------------	------------------	---------------	----------------

Reconciliation of funds:

Total funds brought forward	2,644,859	2,806,668	67,886	5,519,413
-----------------------------	-----------	-----------	--------	-----------

Total funds carried forward

3,396,437	2,554,721	144,876	6,096,034
------------------	------------------	----------------	------------------

10 Analysis of support costs

	Administration £	Finance £	Governance costs £	2022 £	2021 £
Shop costs	25,460	4,474	8,676	38,610	54,873
Fundraising costs	117,117	20,580	39,909	177,606	36,035
Cost of generating funds	142,577	25,054	48,585	216,216	90,908
Hospice	249,511	43,845	85,024	378,380	229,778
Community Care	106,933	18,791	36,439	162,163	58,822
Wellbeing	10,184	1,790	3,470	15,444	90,019
Continuing Care	-	-	-	-	192,516
Charitable services	366,628	64,426	124,933	555,987	571,135
Total	509,205	89,480	173,518	772,203	662,043
Prior year totals	434,470	105,873	121,700		662,043

11 Governance costs

	2022 £	2021 £
Management Audit and Accountancy Fees	146,868	112,575
	6,000	9,125
Other Professional Fees	20,650	-
	173,518	121,700

12 Analysis of staff costs and key management personnel	2022	2021
	£	£
Wages and salaries	3,010,575	3,170,761
Social security costs	247,274	265,029
Pension costs	186,954	207,528
	3,444,803	3,643,318

The Trustees were not paid and did not receive any other benefits from employment with the Hospice or its subsidiary in the year (2021: £nil). No trustees were reimbursed expenses for travel and training during the year (2021: £nil). No Trustee received payment for professional or other services supplied to the Charity (2021: £nil).

The average monthly head count was 137 (2021: 141) and analysis of the employees in the year were:

	2022		2021	
	<i>Actual Number</i>	Full time equivalent	<i>Actual Number</i>	Full time equivalent
Direct charitable services	66	45	77	51
Fundraising & Trading	50	37	45	36
Support services	21	17	19	15
Total	137	99	141	102

Throughout the year we also had 17 bank staff available (2021:10) to provide support in the event of short notice absences.

The number of employees whose total employee benefits, excluding pension contributions were over £60,000, (classified within bands of £10,000) are as follows:

	2022	2021
£60,000-£69,999	2	2
£70,000-£79,999	-	1
£80,000-£89,999	-	-
£90,000-£99,999	2	1

Pension contributions relating to those staff earning over £60,000 totalled £24,222 in the current year (2021: £35,247).

Pension Contributions

The Charity contributes to the NHS Superannuation scheme for eligible staff and operates a defined contribution scheme for other staff. The pension charge for the year represents contributions payable by the Charity to the schemes and amounted to £195,340 (2021: £222,971). At 31 March 2022 £27,396 was outstanding in respect of pension contributions (2021: £26,741).

Key Management Personnel

FRS 102 defines 'key management personnel' as those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including those members of staff who are the senior management personnel to whom the Trustees have delegated

significant authority or responsibility in the day-to-day running of the charity'. We have interpreted this to be the Trustees and the Chief Executive whose employee benefits for both the Charity and the Group were £65,420 in total (2021: £79,171).

Volunteers

The Group had 435 volunteers during the year (Prior year: 438), of which 200 (Prior year: 180) worked in our retail operations and 235 (Prior year: 258) supported the charitable and administrative work of the Charity.

13 Net incoming resources

	2022	2021
	£	£
Net incoming resources is stated after charging:		
Depreciation	143,472	126,368
Auditors remuneration:		
- for audit services	6,000	9,125
- for accountancy services	-	-
Operating lease rentals	278,275	165,940

14 Taxation

The company is a registered charity and as such is exempt from taxation on its income and gains falling with section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied for charitable purposes.

15 Tangible fixed assets

<u>Group and Charity</u>	Buildings	Fixtures and fittings	IT Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At start of year	3,463,947	911,383	159,488	129,644	4,664,462
Additions	21,918	28,071	-	-	49,989
At end of year	3,485,865	939,454	159,488	129,644	4,714,451
Depreciation					
At start of year	1,516,902	757,964	139,947	97,501	2,512,314
Charge for the year	94,944	32,881	7,507	8,140	143,472
At end of year	1,611,846	790,845	147,454	105,641	2,655,786
Net book value at the end of the year	1,874,019	148,609	12,034	24,003	2,058,665
Net book value at the start of the year	1,947,045	153,419	19,540	32,144	2,152,148

Freehold property includes freehold land of £180,000 that is not depreciated. The market value of the land has been valued by the directors at £345,000.

16 Investments

	2022	2021
	£	£
a) Investments - Group and Charity		
At start of the year	489,007	430,130
Additions	182,016	148,937
Disposals	(207,995)	(108,070)
Movement in cash	31,604	(35,964)
Unrealised Gains/(loss) on Revaluation	5,266	53,974
At end of the year	499,898	489,007
b) Analysis of investments		
Listed investments	451,274	471,987
Other investments	300	300
Cash held as part of the investment portfolio	48,324	16,720
Total group	499,898	489,007
Equity investment in subsidiary	90,000	90,000
Total charity	589,898	579,007
All investments are held in the UK		

The historical cost of the listed and other investments is £392,745 (prior year: £387,207)

c) Trading subsidiary

The Charity owns a subsidiary, St Peter & St James Hospice Shops Limited (company number 3146736), whose main purpose is to sell new trading goods to raise funds for the Charity and which pays all of its profits to the Charity under the gift aid scheme. The Charity holds 90,000 ordinary shares of £1 each in its wholly owned trading subsidiary company, St Peter & St James Hospice Shops Limited, which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The activities and results of this company are summarised as follows:

<u>Income statement</u>	2022	2021
	£	£
Turnover	45,508	29,016
Cost of sales	(7,913)	(8,635)
Gross profit	37,595	20,381
Operating expenses	(19,200)	(19,200)
Profit on ordinary activities	18,395	1,181
Donation to hospice	(18,395)	(1,181)
Increase/(decrease) in the Retained profit for the year	-	-
 Balance sheet		
Current Assets	186,918	224,760
Liabilities	(85,189)	(52,273)
Net assets	101,729	172,487
Represented by:		
Capital	90,000	90,000
Reserves	11,729	82,487
	101,729	172,487

Operating Expenses include an administration charge of £19,200 (2021: £19,200) from the Charity in support of Trading Activities.

17 Debtors	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	43,700	43,775	43,700	41,641
VAT recoverable	65,129	48,097	65,129	9,924
Amount due from subsidiary	-	-	68,935	59,326
Other debtors and prepayments	1,311,295	345,549	1,300,193	343,342
	1,420,124	437,421	1,477,957	454,233

Other Debtors and Prepayments includes £848,869 accrued legacy income meeting the three criteria in the Legacy recognition policy (Entitlement, Certainty and Measurement) at 31 March 2022 (2021: £111,921)

18 Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	83,827	52,040	67,582	33,123
Taxation and social security	65,537	60,704	65,537	60,704
Other creditors	27,617	31,987	27,617	31,987
Accruals and deferred income	8,290	30,028	8,290	42,041
	185,271	174,759	169,026	167,855

19 Operating Leases

	2022 £	2021 £
The Trust has total commitments under operating leases as follows:		
Not later than one year	268,511	179,065
Later than one and not later than five years	609,934	617,943
Later than five years	50,158	448,461
	928,603	1,245,469

20 Restricted funds

	Balance at 31 March 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Charity					
Restricted Revenue Fund	132,304	395,834	(475,888)	(15,550)	36,700
Community Nursing Fund	-	108,362	(123,912)	15,550	-
Restricted Capital Fund	12,572	9,000	(16,375)	-	5,197
Total Group Restricted	144,876	513,196	(616,175)	-	41,897

Restricted Revenue Fund

The Restricted Revenue Fund represents monies given to the Charity for specific purposes for the purchase of small items and revenue expenditure.

The Restricted Revenue Fund includes grants relating to Befriending, which represents monies received from East Sussex and West Sussex County Councils to support and improve the wellbeing of those caring for someone with a life limiting illness.

The Restricted Revenue Fund also includes funds for External Clinical Services from our contract with NHS Horsham & Mid Sussex CCG to provide palliative care consultant sessions at our local hospital and services to train students in palliative care.

In the financial year funding from NHS England was received in support of charitable expenditure which was fully utilised in the year.

Community Nursing Fund

The Community Nursing Fund represents one off restricted donations and ongoing grants to support our specialist Community Nurse team.

Restricted Capital Fund

The Restricted Capital Fund represents monies given for specific capital appeals.

21 Unrestricted funds

	Balance at 31 March 2021 £	Income £	Expenditure and gains £	Transfers £	Balance at 31 March 2022 £
Designated funds					
Friends of St Peter & St James	12,190	3,721	-	-	15,911
Tangible Fixed Assets	2,152,148	-	-	(93,483)	2,058,665
Legacy Accrual Fund	111,921	-	-	736,768	848,689
Capital Replacement Fund	278,462	-	-	(197,462)	81,000
Total Designated funds	2,554,721	3,721	-	445,823	3,004,265
General fund Trust	3,296,957	4,599,724	(4,102,341)	(448,072)	3,342,617
General fund Shops	99,480	45,508	(45,508)	2,249	101,729
Total General fund	3,396,437	4,645,232	(4,147,849)	(445,823)	3,447,997
Total Unrestricted funds	5,951,158	4,648,953	(4,147,849)	-	6,452,262

Designated funds:

Unrestricted funds in the Friends of St Peter & St James have been set aside as designated funds in the Group accounts to meet the future needs for medical equipment and associated costs of the Charity.

The Tangible Fixed Asset Fund represents the net book value of the tangible fixed assets held by the Charity, which includes any building work-in-progress. Fixed assets are integral to the provision of charitable activities and therefore not readily available to spend (e.g. hospice buildings).

The Legacy Accrual Fund represents legacy income received after the year end that has been accrued into the accounts.

The Trustees established the Capital Replacement Fund in recognition of the ongoing need for capital investment to replace and, where appropriate, enhance the Charity's assets. A Stock Condition Survey was undertaken in 2017 by a third party, and was reviewed during 2021-22. The fund balance represents the expected capital expenditure required to 31 March 2025.

Unrestricted funds (Prior Year)	Balance at 31 March 2020 £	Income £	Expenditure and gains £	Transfers £	Balance at 31 March 2021 £
Designated funds					
Friends of St Peter & St James	7,298	4,892	-	-	12,190
Tangible Fixed Assets	2,216,315	-	-	(64,167)	2,152,148
Legacy Accrual Fund	283,055	-	-	(171,134)	111,921
Capital Replacement Fund	300,000	-	-	(21,538)	278,462
Total Designated funds	2,806,668	4,892	-	(256,839)	2,554,721
General fund Trust	2,539,479	3,763,597	(3,268,858)	256,839	3,291,057
General fund Shops	105,380	29,016	(29,016)	-	105,380
Total General fund	2,644,859	3,792,613	(3,297,874)	256,839	3,396,437
Total Unrestricted funds	5,451,527	3,797,505	(3,297,874)	-	5,951,158

22 Net assets by funds (Current Year)

Year Ended 31st March 2022				
	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Investments	499,898	-	-	499,898
Tangible fixed assets	-	2,058,665	-	2,058,665
Current assets	3,133,370	945,600	41,897	4,120,867
Creditors falling due in less than one year	(185,271)	-	-	(185,271)
	3,447,997	3,004,265	41,897	6,494,159

Net assets by funds (Prior Year)

Year Ended 31st March 2021				
	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Investments	489,007	-	-	489,007
Tangible fixed assets	-	2,152,148	-	2,152,148
Current assets	3,082,189	402,573	144,876	3,629,638
Creditors falling due in less than one year	(174,759)	-	-	(174,759)
	3,396,437	2,554,721	144,876	6,096,034

23 Related party transactions

Donations received from related parties (defined as Trustees and key management personnel) totalled £640 (2021: £1,410)

The following transactions took place between the Charity and its wholly owned subsidiary, Shops:

- The transfer under gift aid of the trading profits of the Shops to the Charity of £18,395 (2021: £1,181)
- The transfer of an administration charge from Shops to the Charity of £19,200 (2021: £19,200)

Balances outstanding from the Shops to the Charity as at 31 March 2022 were £nil (2021: £nil)

24 Contingent assets – legacy income

Other than the amount recognised in the financial statements (including amounts accrued), the Charity was not notified prior to the year-end of any additional legacies (2021: nil)

25 Financial performance of the Charity

The consolidated statement of financial activities includes the results of the hospice's wholly owned trading subsidiary St Peter & St James Hospice Shops Limited and the Friends of St Peter & St James. The summary performance of the Charity alone is as follows:

	2022	2021
	£	£
Income	5,156,250	5,184,017
Total expenditure	4,764,026	4,608,237
Net surplus /(deficit)	392,224	575,780
Total funds brought forward	6,074,364	5,498,584
Total funds carried forward	6,466,588	6,074,364
Represented by:		
Restricted funds	41,897	144,876
Unrestricted funds	6,424,691	5,929,488
	6,466,588	6,074,364

26 Financial performance of the Friends of St Peter & St James

The Friends of St Peter & St James is a registered charity, number 288522, whose objects are to relieve the patients of the Hospice who are sick, convalescent, disabled, handicapped or infirm and generally to support the charitable work of the Hospice to whom the Friends of St Peter & St James are ultimately responsible. A summary of the financial activities of the Friends of St Peter & St James is given below and these have been consolidated into the group accounts.

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Income				
Donations and subscriptions	3,721	-	3,721	4,892
Gift Aid	-	-	-	-
Investment income	-	-	-	-
Total income	3,721	-	3,721	4,892
Resources expended - charitable activities	-	-	-	-
Net movement in funds	3,721	-	3,721	4,892
Funds brought forward	12,190	-	12,190	7,298
Funds carried forward	15,911	-	15,911	12,190
Current Assets				
Debtors	-	-	-	-
Cash at bank	15,842	-	15,842	12,190
Total net assets	15,842	-	15,842	12,190
Funds of the Charity				
Unrestricted Funds	15,842	-	15,842	12,190
Restricted Funds	-	-	-	-
Total Funds	15,842	-	15,842	12,190

27	Reconciliation of net income to net cash flow from operating activities	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
	Net income for the reporting period	398,125	576,621	392,224	575,780
	Adjustments for:				
	Depreciation charges	143,472	126,368	143,472	126,368
	(Increase)/decrease in debtors	(982,703)	84,437	(1,023,724)	55,693
	Increase/(decrease) in creditors	10,512	(119,357)	1,171	(141,004)
	Loss/(profit) on the sale of fixed assets	-	(828)	-	(828)
	(Gains)/losses on investments	(5,266)	(53,974)	(5,266)	(53,974)
	Dividends, interest and rents from investments	(12,065)	(19,178)	(12,065)	(19,178)
	Net cash provided by/(used in) operating activities	(447,925)	594,089	(504,188)	542,857
28	Analysis of cash and cash equivalents	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
	Cash at bank and in hand	825,871	1,045,193	634,222	909,807
	Short term deposits	1,874,872	2,147,024	1,874,872	2,147,024
	Total cash and cash equivalents	2,700,743	3,192,217	2,509,094	3,056,831

Key Addresses

Registered Office

St Peter & St James Charitable Trust
North Common Road, North Chailey, Lewes, East Sussex, BN8 4ED

Auditors

Knill James LLP
Chartered Accountants
One Bell Lane, Lewes, East Sussex BN7 1JU

Bankers

Barclays Bank Plc
77 South Road, Haywards Heath, West Sussex
RH16 4LB

Solicitors

Adams & Remers LLP
Trinity House, School Hill, Lewes,
East Sussex, BN7 2NN

Sherrards LLP
4 Albourne Court, Henfield Road, Albourne
West Sussex BN6 9FF

Investment Managers

Rathbones
1 Northgate, Chichester, West Sussex, PO19 1AT