

Charity Registration No. 1090151

Company Registration No. 04267625 (England and Wales)

ST JOSEPH'S HOSPICE ASSOCIATION
TRUSTEES' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

ST JOSEPH'S HOSPICE ASSOCIATION

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ST JOSEPH'S HOSPICE ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs J Daly Ms Y E Atkinson Mr D J Bricknell Dr J Welch Mr P S Morgan Mrs L Moore Mr K A Guy (appointed 25 June 2020)
Chief Executive	Mr M Parr
Director of Clinical Services	Ms C Waller
Company Secretary	Mr M Parr
Charity Number	1090151
Company number	04267625
Registered Office	Ince Road Thornton Liverpool L23 4UE
Auditors	Lonsdale & Marsh 7 th Floor, Cotton House Old Hall Street Liverpool L3 9TX
Bankers	National Westminster Bank plc 23 Sankey Street Warrington Cheshire WA1 1XH
Solicitors	Morecrofts Cotton Exchange Old Hall Street Liverpool L3 9LQ

ST JOSEPH'S HOSPICE ASSOCIATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their annual report together with the consolidated financial statements of the charitable company (the charity) and its subsidiary for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice issued October 2019 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Activities for Public Benefit

The principal objectives of the charity during the year under review were to promote the relief of suffering from terminal and life limiting illnesses by providing in-patient palliative care to patients, to support their families and carers and to promote the work of the hospice in the wider community. These objectives were achieved by the provision of the following services: -

- In-Patient facilities through the 29 patient rooms across our three clinical areas
- Bereavement support for patients and families through our Family Support Officer service

Further support was given to patients, their families and carers in the areas of: -

- Complementary therapies
- Spiritual care
- Counselling services

Voluntary help

The trustees are very grateful to all volunteers who have helped by staffing the shops, carrying out fundraising initiatives, working in the hospice and various other activities. The public have been very kind in continuing to support fundraising events and by generous donations made to the hospice. The accounting treatment of voluntary help and donations of gifts in kind is set out on page 22 in the accounting policies. It is estimated that the notional value of volunteer help in 2020/21 was approximately £245,000 although due to the various restrictions resulting from the pandemic, volunteer attendance was much reduced in comparison to previous years as we sought to ensure the safety of everyone across all our hospice sites, including our shops, clinical areas and other on-site support functions. Consequently, estimating a true value for the year 2020/21 would be impossible. However, it is gratifying to note that as restrictions changed or eased our volunteer supporters returned to the hospice, along with some new recruits who now help run our improved reception desk function.

Subsidiaries

St Joseph's Hospice has one wholly owned subsidiary – St Joseph's Academy Services Limited. The main activity of the company is the sale of promotional goods in support of St Joseph's Hospice. During the year, the company made charitable donations and paid a management charge of £7,373 (2019/20 - £6,861) to St Joseph's Hospice.

STRATEGIC REPORT

Achievement and performance

The year 2020/21 was one of the most challenging periods in the history of the hospice. The impact of what turned out to be a global pandemic of unprecedented scale, and the ease and speed with which the virus spread, affected every aspect of hospice operations from our core clinical activity to our income generation. In addition, the transactional impact and cost on less visible services – Human Resources, finance and administrative functions, for example – was huge as staff coped with the additional workload of managing the implementation of new regulations, adjusting to new ways of working, and ensuring that the core activities were well supplied with protective equipment and other essential supplies. This, in addition to maintaining the usual, critical and essential functions which are necessary in providing a service as complex as the hospice, placed a significant strain on both clinical and support staff – several of whom had

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

joined us just at the onset of the pandemic - over the past year. Despite this, the hospice is extremely proud that no patient contracted the virus whilst receiving care with us and of the fact that the inevitable incidences of staff becoming infected whilst at home were handled sensitively, efficiently and safely.

At the beginning of the pandemic the hospice devised and implemented a Covid risk assessment and action plan, detailing the measures to be taken against each identified risk. These measures were (and continue to be) monitored by monthly audits, and the risk assessment and action plan itself was and is reviewed regularly. The plan has proven to be very successful in preventing transmission of the virus, but has put considerable strain on clinical staff who have spent twelve-hour shifts wearing full personal protective equipment (PPE). It also presented a challenge to visitors who faced reduced visiting hours, and consequently for staff who had to explain and manage the new rules. These restrictions were relaxed for patients in the last few days of life, however, allowing families to spend time with their loved ones albeit clad in similar PPE to staff.

Hospice support staff – our cleaners, cooks and laundry staff – maintained an excellent service throughout, and staff who were able to work from home were encouraged to do so. The hospice supported home working by ensuring that the correct equipment was made available, and new systems – notably the Zoom software – was brought in to enable remote meetings, both internal and external. This new way of working has proved extremely effective, without any apparent downside. We have also supported staff who have had to manage family crises and adopted an understanding approach, particularly when schools were closed, to parents struggling to manage the priorities of work and family in the midst of lockdowns and travel restrictions.

The hospice accessed as much of the support from statutory agencies and foundations as was possible. Our newly appointed Grants and Community Engagement Manager was able to draw in funding aimed at supporting charities through the crisis, our Head of Retail was able to utilise the government furlough scheme during the lockdown periods to ensure the retail operations remained financially viable, and our clinical and finance staff took on significant additional administrative tasks in order to comply with the NHS bed contract – negotiated by Hospice UK – which provided further financial support in return for making beds available during the pandemic.

The multiple lockdowns had a significant impact on our fundraising activities, with our retail, fundraising events and lottery operations all affected. Upon reopening, our shops were well patronised by our supporters returning to donate and buy, and we still plan to increase the number of shops and our geographical footprint in future years, in line with our strategic plan, as we work towards our net income target of £250k.

Our fundraising team launched virtual and online events to take the place of in-person mass participation events and a program of new and old events was planned for 2021/22. Contact with supporters was maintained through our summer and winter hospice magazines. Canvassing for lottery members was seriously affected as this is a door to door, face to face activity but membership of the lottery remained quite stable and we will be resuming canvassing for new members as soon as it is safe and practical to do so. We received excellent press and broadcast media coverage throughout the year thanks to our retained PR support, with regular articles in the local press and several interview spots on BBC Radio Merseyside. Despite all of the unprecedented challenges brought on by the pandemic the hospice continued to provide a safe and largely uninterrupted service throughout the year. Unlike many organisations, no posts were made redundant and the planning and reorganisation of previous years had put the hospice in an excellent position to withstand the financial pressures brought on by the crisis. Supplies of PPE and other equipment were maintained throughout, with huge support from our local communities and the CCG helping make this possible.

Furthermore, planning for the future continued, with two new patient rooms on track to be opened in the next financial year (2021/22). This will help us treat 25 to 30 more patients each year and also increase the NHS revenue stream patient fees, which covers around 40% of the cost of caring for each patient. In line with the hospice 5 year plan we also began work on planning the service developments which will allow the hospice to reach more people and offer non-clinical therapies and support (complementary therapy,

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

increased bereavement counselling) to people affected by life limiting illnesses – patients, carers or relatives – as well as addressing the growing problems of social isolation and the increasing incidence of dementia in patients and their relatives. In 2021/22 we intend to commission a feasibility study to give an evidence base of need and likely demand for such a service, which will in turn help support the bids to grant funders and trusts for the capital sums needed to build the facilities needed for the new services.

Our work with Manchester Metropolitan University continued, as we look to help develop a new model of care for people who suffer from substance misuse. This, along with our good working relationship with the prison service, has meant we can address our objective of greater inclusivity in our patient population and we were able to help patients from both groups last year in our inpatient unit.

We also increased our work on creating a dementia friendly environment at the hospice, both for patients and also their relatives who may also suffer from the disease. We have a lead dementia nurse who is a Registered Adult Nurse (RGN) and are members of Dementia Friendly Sefton; a significant bid for capital funds to support further improvements is planned for the coming year.

Financial controls on expenditure continue to work well, and as managers each receive monthly management accounts there is a good culture of financial awareness, which was particularly important during the pandemic.

Our regime of trustee inspections continues, with all activity areas inspected by two trustees each month. This gives the board a clear oversight of operations and gives staff members an opportunity to speak directly to trustees. We also hold monthly Open Forum meetings, allowing staff to air concerns, bring new ideas or simply discuss hospice activity with the CEO, Clinical Director and a trustee. We also make provision for anonymous suggestions to be submitted before meetings, and all questions raised, both in the meetings or by anonymous submission, are answered in a paper which is circulated to all staff and trustees.

Our timetable of audits across the hospice continues; clinical audits, such as Infection Control, are conducted by trained clinicians, but our Information Governance, Health and Safety and, latterly, Covid Action Plan audits are shared amongst managers, giving everyone ownership of the processes. Any actions raised are logged, discussed at the relevant team meetings and, if necessary, logged on the clinical or business risk register.

Our relationship with the Care Quality Commission (CQC) is good, being supportive and collaborative, and we have a clear policy of transparency with our lead inspector, reporting anything of significance and conducting regular meetings between the Clinical Director and the inspector.

As a result of the above we have no concerns about the ability of the hospice to operate through 2021/22 in terms of financial viability and we expect to maintain a safe, fully operational clinical service.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

Income generation

In 2020/21, 64% of the gross income of the hospice came from charitable donations, fundraising activities, grants and legacies (2019/20 - 56%), with patient fee income from the Clinical Commissioning Groups (CCGs) NHS contributing 36% (2019-20 - 44%). Gross income from the hospice shops, lottery and trading company contributed £603k (2019/20 - £897k), reflecting the impact of the pandemic. Overall, the hospice recorded a surplus of £355,913 for the year and now has unrestricted general reserves of £1,051,551, with restricted funds of £3,854.

Overall, income from donations, gifts, legacies, events and grants increased significantly as the hospice accessed the various schemes intended to support charities through the pandemic, and totalled £1,560,898 – up from £759,563 in 2019/20 and again reflecting the impact the pandemic had on the composition of the business plan. Donations and gifts increased by approximately £100k but due to the nature of accounting for legacies, only £51k of legacy income is accounted for in 2020/21; the legacy 'pipeline' however, which records the bequests of which the charity has been notified but has not yet received, currently stands at £1.4m. Liquidity has remained strong throughout the year, with a ratio of well over 30:1 at any given time.

Although our programme of fundraising events was decimated by the pandemic, efforts continued online and by Zoom to host various activities, including Ladies Day and Light Up a Life, with some success.

Lottery income increased by £50k on 2019/20 thanks to previous canvassing efforts for new members, although recruitment has suffered during the pandemic due to the nature of the activity. We remain committed to our target of recruiting 10,000 members. Likewise our retail operations took a significant hit in terms of gross income, although the picture is somewhat muddled by the alternative income streams from the many and various support grants and the furlough scheme, which are recorded elsewhere in the accounts. Consequently, based purely on the income received through shop tills, we recorded an operating loss in our retail operations of £147k compared to last year's surplus of £69k. Expenditure reduced, for the same reasons, but we ended the year with our shops fully operational and ready for the next financial year. As with lottery, we remain committed to our target of generating a £250k surplus from our shops in the coming years, once the effects of the pandemic have abated. Retail and lottery income growth are key parts of our plan to reduce reliance on legacy income in the future.

Overall, hospice income grew from £2.96m in 2019/20 to £3.37m in 2020/21, despite the pandemic – a result of the efforts made in accessing new grants by our Grants & Community Engagement Manager and of the support funding made available to offset the impact of the pandemic. The original, pre-pandemic business plan would have shown a larger increase in income if it had come to fruition but we must now work with the ongoing disruption to income generation for some time to come. It is unlikely that such support funding will be available in 2021/22 but we have a strong financial plan in place, with additional income coming from our new patient rooms – anticipated to be around £90k per year.

Expenditure in 2020/21 reduced by £209k compared to 2019/20, a result of the reduced expenditure on events and activities arising from the lockdowns and restrictions. Clinical expenditure rose by £70k, much of which came from using agency staff to cover shifts during absences – again, largely as a result of the pandemic. This reduction in costs was despite the 2% cost of living award made in April 2020.

Overall, the charity proved to be very resilient against the impact of the pandemic, with the clinical service operating as near a normal service for patients and relatives as possible under the circumstances and the income generating activities flexing and adapting to the dramatically changed operating environment to give a very positive outcome for the year as a whole.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Ethical and Sustainable Fundraising

The charity maintains its own in-house fundraising team to stage fundraising events and support community fundraising initiatives and is a member of the Fundraising Preference Service. The charity subscribes to a weekly update from the Fundraising Regulator which informs of any persons contacted by the charity who no longer wish to receive communications; any such person would be removed from the charity's database, but no such requests have been received this year. The charity also subscribes to the Fundraising Regulator's Code of Fundraising Practice to ensure that fundraising activities at the hospice are carried out in an ethical and sustainable manner. This has helped ensure that the charity has received no complaints about fundraising activities in the last year.

The charity has adopted policies covering data protection, confidentiality and privacy for donors and supporters, including the option to opt in to fundraising communications (rather than opting out), to only hold details with the consent of the individual and to have any such details as are held, removed at the request of the 'data owner'.

The charity uses a third party to canvass for the in-house lottery and the contract covering the arrangement embodies all of the above principles, including a methodology for bringing any conversation about lottery membership to an end after receiving a second refusal from an individual.

Reserves and investment policy

The hospice aims to have free reserves of £1.7m – equivalent to approximately six months running costs. Current levels are below this figure and now stand at £1,051,551 as detailed in Note 23 to the Accounts.

The hospice has minimal sums invested, and income during the year was just £579, a reduction from £994 in 2019/20. Returns on invested income remain low, but as free reserves increase the amount available for investment will increase and a greater return can be expected.

At the current level of reserves the trustees feel that they would be able to continue the current activities of the hospice in the medium term. The current approach of careful financial management will be maintained.

Future plans

Whilst the pandemic has seriously impacted our ability to deliver many of our strategic objectives during 2020/21, the charity maintained its approach of continuous improvement across all activity areas, and is focused on achieving an Outstanding CQC rating at the earliest possible date. This is underpinned by a sustainable business model which includes a shift towards developing managed income streams – lottery, retail and regular giving – rather than a reliance on donations, legacies and events. This will give some insulation from the vagaries of commissioning income and improve the ability of the hospice to respond autonomously to the needs of the local communities it serves, whilst also working with partners on joint strategic initiatives which align with the hospice strategic plan.

Improvements across clinical services include the creation of a Senior Nurse or Sister role to support the Inpatient Unit Manager, and the IPU Manager taking a Clinical Diagnostic Skills course, with training planned for the development of an Advanced Care Practitioner at the hospice in the near future. The hospice continues to benefit from the support of a retained GP and from a Palliative Care consultant.

It was also agreed that the hospice would take part in the Department for Work and Pensions (DWP) Kickstart program, which places young apprentices into work with a variety of organisations. Whilst providing some additional support in key activity areas, this also meant the hospice was able to give employment opportunities to young people who had not had the best start in life or had otherwise struggled to find meaningful employment. Our first intake included young people who had recently settled into the UK as well as apprentices who had not had any prior work experience; we hope that one or more of these young people may be offered a permanent role at the hospice and that those who we are unable to place will go on to find rewarding work armed with the skills gained whilst with us.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Staff terms and conditions remain a priority for trustees. In April 2020, almost all staff were awarded a 2% cost of living pay rise, and we plan in 2021 to introduce enhanced overtime rates for clinical and support staff to reduce the cost of using agencies to cover absences. Trustees remain committed to improving terms and conditions across all aspects of staff contracts, and will strive to ensure that, wherever possible, an annual cost of living award is made in future years.

The five year strategic plan, operationalised in 2020, which identified five key themes remains in place. The five themes are improvement of existing services, development of new services, increased engagement with our communities (and particularly those communities which are excluded or marginalised), a sustainable operating model (across all aspects of hospice activity, not simply finance) and consolidating our model of good governance. Our aims and objectives for the next four years are as follows;

1 High quality End of Life patient care;

1. Ensure that we recruit, retain and develop the best clinical staff
2. Work closely with the CQC to ensure that we are meeting, or striving for, the highest current clinical standards and an Outstanding rating
3. Continuously review and develop our clinical and medical models to provide the best possible patient care, take advantage of changes and improvements to best practice to set new standards in nurse-led community hospice care and optimise our resources,
4. Implement an electronic patient record system
5. Develop new infrastructure on the hospice site to provide better facilities for patients, relatives and staff, including;
 - Overnight stay facilities for relatives
 - Private break and dining areas for staff
 - Provide daytime break-out or comfort areas for relatives away from patient rooms, and a dedicated dining area
 - Develop bespoke treatment rooms for use by allied health professions (AHP) services, Speech and Language Therapy (SALT), nutritionist, physiotherapists, complementary therapies etc
6. Improve and upgrade older clinical areas and improve patient rooms in line with changing patient and family expectations, and also implement changes which will improve the clinical/medical operating model, e.g. connectivity to facilitate remote diagnosis or collection of biometrics
7. Continue with shadowing and secondment arrangements for clinical staff with partner organisations
8. Lobby for the discontinuation of dynamic purchasing systems which delay patient admissions and prolong stays in inappropriate care settings
9. Review and publish the qualitative clinical data we collect to demonstrate impact
10. Develop planned & programmed repairs schedule to ensure clinical estate is maintained in good order

2 Developing our services;

1. Liaise with commissioners on a regular basis to identify locally emerging needs and monitor the local Joint Strategic Needs Assessment (JSNA)
2. Develop physical infrastructure on site to address those needs already identified and those likely to require attention in the immediate or near future, e.g.
 - Dementia-friendly wards suitable for patients and relatives
 - Day hospice facilities to tackle social isolation, which exacerbates EoL conditions, and provide a base for on-site and outreach services (complementary therapies, increased bereavement services, personal care and community nursing teams)
3. Develop outreach services to support End of Life Care (EoLC) in the community
4. Deliver training to clinical staff on the emerging clinical and social conditions which impact on EoL experience; Dementia, substance misuse (problem spreading outwards from city), mental health, and other excluded groups who require end of life care.
5. Increase the capacity of bereavement counselling/family support, especially for children

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6. Explore the use of more non-clinical services to support patients and relatives, e.g. complementary therapies and social interventions
7. Consider the introduction of self-funded care in private rooms and short stay respite care
8. Provide training opportunities for partner agencies on EoLC

3 Engaging with our communities and collaborating with our partners;

1. Maintain and develop relationships with healthcare professionals across our operating area to facilitate a multi-disciplinary approach to EoLC, including;
 - Community Palliative Care Team
 - Community Matron
 - Occupational Health Teams and other AHP teams
 - Peer groups, e.g. NW Hospice professional sub groups
 - Commissioners & CCG colleagues
2. Maintain and develop relationships with wider healthcare environment or across social issues where an EoLC need has been established, e.g.
 - Substance misuse, prisoners, homelessness, mental health, ethnic groups, Lesbian Gay Bisexual & Transgender Plus (LGBT+) groups
3. Work closely with CCGs and commissioners to identify and anticipate current and emerging need
4. Ensure membership or representation on relevant strategic groups, or local manifestation thereof, such as Cheshire & Merseyside Health & Care Partnership
5. Engage with community initiatives, such as Living Well Sefton and other local wellbeing-related groups
6. Continue to work with groups, clubs and societies (such as Soroptimists, Lions, Rotary Club etc) to promote awareness, involvement and support for the hospice's work
7. Engage with un-constituted local groups to promote involvement with the hospice at a personal level

4 Building a sustainable service for the future;

1. Increase the income from our managed income streams by:
 - Increasing our Retail estate and developing new retail income streams to generate a net contribution of 8% of total income
 - Growing Lottery membership to 10,000 weekly plays by 2023, giving a contribution of 15% of total income
 - Refocusing fundraising efforts on corporate social responsibility, (CSR), trusts & foundations and increased community engagement
 - Reduce reliance on legacies as a consequence of the above
 - Increase the use of volunteers across the activity areas to maximise use of skill sets and time
2. Increase reserves to equivalent of 6 months operating costs
3. Maintain a working dialogue with commissioners to ensure income from CCGs is proportionate to cost of providing beds and increases accordingly each year
4. Ensure that sufficient financial controls are in place and are monitored in order to control and manage expenditure
5. Ensure that recruitment, retention and motivation of staff is optimised by adopting competitive terms and conditions, including attractive Health & Wellbeing initiatives, and fair, robust and transparent HR policies
6. Encourage all staff to attain qualifications and memberships appropriate to their profession and provide support, training and other continuing professional development (CPD) facilities to assist in this
7. Promote the hospice as the first choice employer for applicants and recruit the best possible applicants to each position
8. 'Grow our own' clinical staff through the development of the staffing structure and establishment of new roles (such as Senior health care assistant, adult nurse practitioners, NMPs etc) to offset recruitment pressures caused by national issues

ST JOSEPH'S HOSPICE ASSOCIATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9. Review the establishment structure each year or following significant change to ensure that the staffing structure, composition and skill set of the hospice is appropriate to the strategic and operational needs of the organisation
10. Increase the use of ICT to improve efficiency and patient experience
11. Demonstrate our impact through metrics and publicising these to the relevant audiences

5 Good governance; a well-led, well managed and safe organisation

1. Strategy – conduct an annual review of our strategy & direction
2. Compliance - regularly review our systems of management, reporting & control
3. Compliance – ensure our systems and process are fit for purpose through assurance, good governance and oversight
4. Policy – ensure hospice policies are current & fit for purpose by reviewing each one every three years or more frequently if circumstances change
5. Skills – provide appropriate training for trustees
6. Risk - Review our Business Risk Analysis quarterly
7. Risk -Ensure systems of governance and composition of Board are fit for purpose
8. Risk - Ensure information systems are fit for purpose

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company, incorporated in England and Wales on 9th August 2001, limited by guarantee under clause 6 of its Memorandum of Association. The charitable company has no share capital, being a company limited by guarantee. Liability is limited to £1 for each member in the event of its being wound up. The number of members registered at 31 March 2021 is 7. The charitable company is governed by its Memorandum and Articles of Association. The company was registered as a charity by the Charity Commissioners for all purposes on 8 January 1983 (certificate number 1090151).

Recruitment and appointment of Trustees

The Board of Trustees is made up of between seven and nine members. They may be elected at any time by trustees at Trustee Board meetings. Trustees are expected to retire after four years in office, but are eligible for re-election to the Board for a further four year term. The Chairman is elected by the trustees at a Trustee Board Meeting and serves a four year term unless he or she steps down sooner. Recruiting and retaining the right trustees is an important aspect of governing the hospice. It is important that the Board of Trustees has a balance of people with a range of skills and backgrounds who are able to contribute to the governance process.

Organisational structure

The board of trustees meets at least four times a year to direct and manage the governance of the hospice.

The trustees have ultimate responsibility for setting the direction of the hospice and their role is to ensure that the hospice is financially viable, well run and that it meets the needs for which it was set up. This work includes agreeing the hospice strategy, service developments and finances and reviewing and ratifying appropriate hospice policies and procedures. Day to day management is delegated to the members of the senior leadership team.

The Board of Trustees considers current initiatives, service developments and strategic issues at its scheduled quarterly board meetings. Comprehensive written reports are provided by the senior leadership team which are discussed and considered at the meetings. A sub committee structure comprising of finance and clinical governance sub committees meet quarterly and provides reports and recommendations to the trustee meetings.

Departmental Heads are responsible to the appropriate member of the Senior Leadership Team which is led by the Chief Executive who, in turn, is responsible to the Board of Trustees. The current Senior Management Team comprises of the Chief Executive and the Director of Clinical Services.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Trustees

The trustees, who are also the directors for the purpose of company law, and who served during the year and the period up to which the accounts were approved were:

Mrs J Daly
Ms Y E Atkinson
Mr D J Bricknell
Dr J Welch
Mr P S Morgan
Mrs L Moore
Mr K A Guy (appointed 25 June 2020)

Key management remuneration

Senior management remuneration is agreed by the Board of Trustees in consultation with the Chief Executive and by reference to the annual Hospice Rewards survey facilitated by Hospice UK together with data on salary levels for vacant posts advertised through the hospice network. The salaries currently being paid are commensurate with these roles in similarly sized hospices.

Related parties

The charity has a wholly owned non-charitable company, St Joseph's Hospice Academy Services Limited which enables it to manage its trading activities in line with charity law. The main activity of the subsidiary is the sale of promotional goods in support of the charity. All profits arising in the subsidiary are passed to the charity under the gift aid scheme. The charity provides management and other support for the trading company and is reimbursed through a management charge and during the year the charity received a management fee of £4,000 (2019/20 - £4,000). In addition, the subsidiary made charitable donations to St Joseph's Hospice Association of £3,373 (2019/20 - £2,831).

Public benefit

The trustees have considered the Charity Commission's guidance on public benefit and, in particular, the guidance on the relief of those in need by reason of ill-health. The trustees believe this charity provides a public benefit as its principal activity is to provide palliative and end of life care services which seek to enhance the quality of life of individuals living with a life limiting condition through the provision of in-patient, community and day therapy care and through education, training and support within the hospice and to the wider health and social care economy.

Risk Management

The senior leadership team and delegated departmental heads have conducted a review of the major risks to which the hospice is exposed and systems have been established to mitigate those risks. This work is summarised in the Business Risk Register, which is presented quarterly to trustees and reviewed regularly throughout the year. A comprehensive program of regular activity, process and risk mitigation process audits is in place across the hospice.

A Clinical Risk register is maintained by the Director of Clinical Services and reviewed quarterly by the Clinical Governance Sub Committee.

A Business Continuity Plan has been developed and is updated as risks change in order to ensure the continued safe operation of critical clinical services in an emergency and the resumption of all support services at the earliest opportunity.

All staff and appropriate volunteers are required to complete the hospice-specific annual mandatory training, which covers a wide range of core competencies. The Hospice Infection Control Team carries out regular audits and provides more advanced training to clinical staff. The Food Standards Agency carries

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

out regular inspections of the hospice and has once again rated our catering services as 'Good' with 5 stars, the highest rating.

Disclosure of information to auditors

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

On behalf of the board of trustees

Mr D Bricknell

Chair of trustees

Dated: 16th December 2021

ST JOSEPH'S HOSPICE ASSOCIATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of St Joseph's Hospice Association for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

ST JOSEPH'S HOSPICE ASSOCIATION

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ST JOSEPH'S HOSPICE ASSOCIATION

Opinion

We have audited the financial statements of St Joseph's Hospice Association (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Summary Consolidated Income and Expenditure account, the Consolidated Balance Sheet, the Statement of Cashflows and Consolidated Cashflows 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 of the charitable company's affairs as at 31 March 2021 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;
- 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 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 the provisions available for small entities, in the circumstances set out in note 26 to the financial statements, 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 charity'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.

ST JOSEPH'S HOSPICE ASSOCIATION

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ST JOSEPH'S HOSPICE ASSOCIATION

Other information cont.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report (included within the trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept by the charitable company or returns adequate for our audit have not been received from branches not visited by us;
- the charitable company financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations necessary for the purposes of our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 they 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

ST JOSEPH'S HOSPICE ASSOCIATION

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ST JOSEPH'S HOSPICE ASSOCIATION

Our responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and group and determined that the most significant are those that relate to fundraising regulations and Care Quality Commission requirements. We also considered those laws and regulations that have a direct impact on the financial statements such as Charity SORP including FRS 102 and Companies Act 2006.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- the engagement partner ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- discussions with senior management;
- identified laws and regulations were communicated within the audit team and remained alert to instances of non-compliance throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including override of controls) and addressed the risk through testing of journal entries to identify unusual transactions and assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed our audit procedures which included, but was not limited to:

- discussions with management about any known or suspected instances of non-compliance with laws and regulations, and fraud;
- reviewing minutes of meetings of those charged with governance;
- testing of journals posted to revenue and expenses that have unusual account combinations;
- checking the Charity is registered with a Fundraising Regulator;
- analytical review to identify unusual transactions;
- reviewing for any transactions undertaken with related parties such as those charged with governance and/or trustees;
- checking expenses are bona fide transactions of the charity;
- reviewing controls around cash donations.

ST JOSEPH'S HOSPICE ASSOCIATION

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ST JOSEPH'S HOSPICE ASSOCIATION

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Nicholas James O'Donovan (Senior Statutory Auditor)
For and on behalf of Lonsdale and Marsh

Date: 16th December 2021

Chartered Accountants
Statutory Auditor

7th Floor
Cotton House
Old Hall Street
Liverpool
L3 9TX

ST JOSEPH'S HOSPICE ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Income from:							
Donations, legacies and grants	2	652,128	908,770	1,560,898	758,879	684	759,563
Charitable activities	5	1,208,895	-	1,208,895	1,303,586	-	1,303,586
Other trading activities	3	603,430	-	603,430	897,146	-	897,146
Investment income	4	579	-	579	994	-	994
Total income		2,465,032	908,770	3,373,802	2,960,605	684	2,961,289
Expenditure on:							
Raising funds	7	748,201	-	748,201	1,027,405	-	1,027,405
Charitable activities							
Patient care	7	2,038,122	231,728	2,269,850	2,198,863	1,083	2,199,946
Total expenditure		2,786,323	231,728	3,018,051	3,226,268	1,083	3,227,351
Net gains/(losses) on investments	16	162	-	162	(395)	-	(395)
Net income/(expenditure)		(321,129)	677,042	355,913	(266,058)	(399)	(266,457)
Transfers between funds	22 / 23	675,474	(675,474)	-	-	-	-
Net movement in funds		354,345	1,568	355,913	(266,058)	(399)	(266,457)
Reconciliation of funds:							
Fund balances at 1 April 2020		2,911,515	2,286	2,913,801	3,177,573	2,685	3,180,258
Fund balances at 31 March 2021		3,265,860	3,854	3,269,714	2,911,515	2,286	2,913,801

The statement of financial activities includes all gains and losses for the year.

All incoming resources and resources expended derive from continuing activities of the group.

ST JOSEPH'S HOSPICE ASSOCIATION

SUMMARY CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Total income	3,373,802	2,961,289
Total expenditure from income funds	(3,018,051)	(3,227,351)
	355,751	(266,062)
Gains/(losses) on investments	162	(395)
Net income/(expenditure) for the year	355,913	(266,457)

The summary consolidated income and expenditure account is derived from the consolidated statement of financial activities on page 17 which, together with the notes on pages 21 to 38 provides full information on the movements during the year on all funds of the charitable company.

ST JOSEPH'S HOSPICE ASSOCIATION

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2021

		Group	Charitable company 2021 £	Group	Charitable company 2020 £
	Notes				
Fixed assets					
Tangible assets	15	2,169,505	2,169,505	2,223,744	2,223,744
Investments	16	653	654	491	492
		<u>2,170,158</u>	<u>2,170,159</u>	<u>2,224,235</u>	<u>2,224,236</u>
Current assets					
Stock		749	-	749	-
Debtors	18	138,886	139,587	468,825	469,549
Cash at bank and in hand		1,191,809	1,191,803	447,675	447,675
		<u>1,331,444</u>	<u>1,331,390</u>	<u>917,249</u>	<u>917,224</u>
Creditors: amounts falling due within one year	19	(231,888)	(231,835)	(227,683)	(227,659)
Net current assets		<u>1,099,556</u>	<u>1,099,555</u>	<u>689,566</u>	<u>689,565</u>
Total assets less current liabilities		<u>3,269,714</u>	<u>3,269,714</u>	<u>2,913,801</u>	<u>2,913,801</u>
Income funds					
Restricted funds	22	3,854	3,854	2,286	2,286
Unrestricted funds					
Unrestricted income funds	23	1,051,551	1,051,551	643,129	643,129
Designated funds	23	2,169,505	2,169,505	2,223,744	2,223,744
Revaluation reserve	23	44,804	44,804	44,642	44,642
		<u>3,265,860</u>	<u>3,265,860</u>	<u>2,911,515</u>	<u>2,911,515</u>
		<u>3,269,714</u>	<u>3,269,714</u>	<u>2,913,801</u>	<u>2,913,801</u>

The notes on pages 21 to 38 form part of these financial statements.

The financial statements were approved by the board of trustees on 16 December 2021 and are signed on its behalf by:

.....
Mr D J Bricknell
Trustee

.....
Mr P S Morgan
Trustee

Company Registration No. 04267625

ST JOSEPH'S HOSPICE ASSOCIATION

STATEMENT OF CASHFLOWS AND CONSOLIDATED CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Group	Charitable company 2021 £	Group	Charitable company 2020 £
Cash flows from operating activities				
Net movement in funds (as per SOFA)	355,913	355,913	(266,457)	(266,457)
Adjustments for :				
Depreciation	83,668	83,668	79,832	79,832
(Gains)/losses in investments	(162)	(162)	395	395
Dividends from investments	(2)	(2)	(28)	(28)
Interest receivable	(577)	(577)	(966)	(966)
(Increase)/decrease in stock	-	-	7,133	-
(Increase)/decrease in debtors	329,939	329,962	(75,055)	(67,893)
Increase/(decrease) in creditors	4,205	4,176	65,317	65,293
Net cash provided by (used in) operating activities	772,984	772,978	(189,829)	(189,824)
Cash flows from investing activities				
Purchase of property, plant and equipment	(29,429)	(29,429)	(10,733)	(10,733)
Dividends from investments	2	2	28	28
Interest receivable	577	577	966	966
Net cash provided by (used in) investing activities	(28,850)	(28,850)	(9,739)	(9,739)
Change in cash and cash equivalents in the year	744,134	744,128	(199,568)	(199,563)
Cash and cash equivalents as at 1 April 2020	447,675	447,675	647,243	647,238
Cash and cash equivalents as at 31 March 2021	1,191,809	1,191,803	447,675	447,675

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies

1.1 Company Information

St Joseph's Hospice Association is a private company limited by guarantee, incorporated in England and Wales. Its wholly owned subsidiary, St Joseph's Academy Services Limited, is a private company limited by shares incorporated in England and Wales (company no: 04271430). The registered office of both the parent and subsidiary company is Ince Road, Thornton, Liverpool, L23 4UE.

1.2 Basis of accounting

The charitable company is a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments stated at market value and modified for the revaluation of leasehold interest.

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

1.3 Group Financial Statements

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary St Joseph's Academy Services Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure account for the charitable company itself are not presented because the charitable company has taken advantage of the exemptions conferred by s408 of the Companies Act 2006. A summary of the financial performance of the charitable company can be found in Note 6.

1.4 Going concern

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

1.5 Income

All income is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Grants which are to be used for specific purposes, as laid down by the donor, are treated as restricted funds. Expenditure which meets the criteria is charged to the fund. Grants, including those received from government agencies are recognised on the performance model. They are included under income from charitable activities.

Interest on funds held on deposit is included when receivable by the charity, and the amount can be measured reliably; this is normally upon notification of the interest paid or payable by the bank.

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies

(continued)

1.5 Income (continued)

Donated goods are not recognised as incoming resources in the Statement of Financial Activities on receipt of an item as it is impractical and not a cost effective use of resources. Instead the value of the donated goods is recognised as income when sold.

In accordance with the SORP (FRS102), the general volunteer time is not recognised in the Statement of Financial Activities. Refer to the trustee's annual report for more information on their contribution.

Lottery income is recognised on a receivable basis. Any income lottery income received in advance is deferred until the following accounting period.

Legacy income – entitlement to legacy income is taken to be either the earlier of estate accounts being finalised or a notification by the executor of a payment to be made or cash received.

Events – income from major events is recognised in the period in which the event takes place. Income received in advance is included in deferred income.

Investment income is accounted for on an accruals basis.

Gifts in kind are valued at their realised amount or the equivalent to an alternative commercial supply, and are included in the Statement of Financial Activities as appropriate. In accordance with the SORP (FRS102), the general volunteer time is not recognised in the Statement of Financial Activities.

Income from trading activities is recognised on point of sale for both donated and purchased goods.

1.6 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis. Expenditure includes any VAT that cannot be fully recovered and is reported as part of the expenditure to which it relates.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs which are attributable to more than one activity are apportioned across the cost categories on the basis of the estimated percentage of costs on those activities.

1.7 Fund accounting

Funds held by the charitable company are either:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Designated funds – these are funds set aside out of unrestricted general funds for specific purposes.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when the funds are raised for a particular restricted purpose.

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies

(continued)

1.8 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. The costs of minor additions, being those below £500, are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	not depreciated
Freehold buildings	2% per annum on cost
Fixtures, fittings and equipment	15% per annum on reducing balance / 20% per annum on cost / 33.33 % per annum on cost / 15% per annum on cost
Motor vehicles	25% per annum on reducing balance

1.9 Financial instruments

The charitable company has financial assets and financial liabilities of a kind which qualify as basic financial instruments. Basic financial instruments are initially recognised at the amount receivable or payable. Investments are held at fair value.

1.10 Investments

Fixed asset investments are stated at market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

Investment in subsidiary, St Joseph's Academy Services Limited, is stated at cost in the charitable company's balance sheet.

1.11 Stock

Stocks of bought in goods are stated at the lower of cost and estimated selling price. Cost comprises direct materials. As it is not practical to value items donated for resale on receipt because of the volume of low value items, they are not recognised in the financial statements until they are sold.

1.12 Debtors

Debtors are basic financial assets and are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

1.13 Cash at bank and in hand

Cash at bank and in hand are basic financial assets, and include cash in hand and deposits held with banks.

1.14 Creditors

Creditors are recognised at their settlement amount after allowing for any trade discounts due. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies

(continued)

1.15 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.16 Pensions

The charitable company operates a defined contribution pension scheme. Contributions are charged as an unrestricted expense in the financial statements as they become payable in accordance with the rules of the scheme. The assets of the scheme are held in an independently administered fund.

The charitable company also contributes to several individual private pension schemes. Contributions to these schemes are treated on the same basis as its own defined contribution pension scheme.

The charitable company also contributes to the NHS Scheme for certain former NHS employees, which is a defined benefit scheme. The charitable company is obliged to make contributions to the scheme at a rate of 14% of pensionable pay. The charitable company has no commitment to make good any actuarial deficit, nor entitlement to a benefit from surplus funding. On this basis, the scheme is accounted for as a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as an unrestricted expense as they fall due.

1.17 Employment costs

The costs of short-term employee benefits are recognised as a liability and an expense.

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

Where relevant, termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Donations, legacies and grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Donations and legacies						
Donations and gifts	334,444	-	334,444	239,782	684	240,466
Legacies received	50,982	-	50,982	179,012	-	179,012
Events	19,237	-	19,237	97,411	-	97,411
Other income	1,430	-	1,430	2,639	-	2,639
Grants	246,035	908,770	1,154,805	240,035	-	240,035
	<u>652,128</u>	<u>908,770</u>	<u>1,560,898</u>	<u>758,879</u>	<u>684</u>	<u>759,563</u>

Unrestricted fund grants in 2021 include income from the following:

Coronavirus Job Retention Scheme	<u>95,410</u>
	<u>95,410</u>

3 Other trading activities

	2021 £	2020 £
Shops		
Shop income	298,691	632,465
Shop staff costs	(227,536)	(298,845)
Shop rent, rates and utilities	(178,290)	(196,716)
Other shop expenses	(40,216)	(68,280)
Profit/(loss) arising from shops	<u>(147,351)</u>	<u>68,624</u>
Number of shops trading in year	11	11
Lottery		
Lottery income	294,211	245,708
Lottery prizes (see Note 8)	(78,000)	(78,000)
Lottery commission and other costs	10,384	(167,415)
Profit arising from lottery	<u>226,595</u>	<u>293</u>
Trading company		
Income	10,528	18,973
Cost of sales	(3,120)	(12,112)
Gross profit arising from trading company	<u>7,408</u>	<u>6,861</u>
Summary		
Income	603,430	897,146
Cost of activities for generating funds	(513,658)	(809,256)
Trading company cost of sales	(3,120)	(12,112)
	<u>86,652</u>	<u>75,778</u>

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Investment income

	2021	2020
	£	£
Income from listed investments	2	28
Interest receivable	577	966
	<u>579</u>	<u>994</u>

5 Charitable activities

	2021	2020
	£	£
Patient care fee income	<u>1,208,895</u>	<u>1,303,586</u>

6 Financial performance of charity

The consolidated statement of financial activities includes the results of the charitable company's wholly owned subsidiary St Joseph's Academy Services Limited.

	2021	2020
	£	£
The summary financial position of the charitable company alone is:		
Income	3,363,274	2,942,316
Management fee and gift aid from subsidiary company	7,373	6,831
	<u>3,370,647</u>	<u>2,949,147</u>
Expenditure on charitable activities	3,005,958	3,206,272
Governance costs	8,938	8,938
	<u>3,014,896</u>	<u>3,215,210</u>
Net income/(expenditure)	355,751	(266,062)
Gains/(losses) of investments	162	(395)
Net movement in funds	<u>355,913</u>	<u>(266,457)</u>
Total funds brought forward	2,913,801	3,180,258
Total funds carried forward	<u>3,269,714</u>	<u>2,913,801</u>
Represented by		
Restricted income funds	3,854	2,286
Unrestricted income funds	3,265,860	2,911,515
	<u>3,269,714</u>	<u>2,913,801</u>

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Total resources expended

	Notes	Unrestricted reserves			Restricted reserves		Total 2021 £
		Staff costs £	Depreciation £	Other costs £	Staff costs £	Other costs £	
Costs of raising funds	8						
Costs of generating voluntary income		199,191	-	32,232	-	-	231,423
Cost of activities for generating funds		227,536	-	286,122	-	-	513,658
Trading company cost of sales		-	-	3,120	-	-	3,120
		<u>426,727</u>	<u>-</u>	<u>321,474</u>	<u>-</u>	<u>-</u>	<u>748,201</u>
Charitable activities							
Patient care	9	1,381,166	83,668	364,238	200,815	30,913	2,060,800
Support costs	10	120,459	-	79,653	-	-	200,112
Governance costs		-	-	8,938	-	-	8,938
Total		<u>1,501,625</u>	<u>83,668</u>	<u>452,829</u>	<u>200,815</u>	<u>30,913</u>	<u>2,269,850</u>
		<u>1,928,352</u>	<u>83,668</u>	<u>774,303</u>	<u>200,815</u>	<u>30,913</u>	<u>3,018,051</u>

Governance costs relates to the auditors' fees of £8,938 including irrecoverable VAT.

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Total resources expended

continued

	Notes	Unrestricted reserves			Restricted reserves		Total 2020 £
		Staff costs £	Depreciation £	Other costs £	Staff costs £	Other costs £	
Costs of raising funds	8						
Costs of generating voluntary income		122,460	-	83,577	-	-	206,037
Cost of activities for generating funds		298,845	-	510,411	-	-	809,256
Trading company cost of sales		-	-	12,112	-	-	12,112
		<u>421,305</u>	<u>-</u>	<u>606,100</u>	<u>-</u>	<u>-</u>	<u>1,027,405</u>
Charitable activities							
Patient care	9	1,471,593	79,832	425,314	-	-	1,976,739
Support costs	10	113,408	-	100,861	-	-	214,269
Governance costs		-	-	8,938	-	-	8,938
		<u>1,585,001</u>	<u>79,832</u>	<u>535,113</u>	<u>-</u>	<u>-</u>	<u>2,199,946</u>
		<u>2,006,306</u>	<u>79,832</u>	<u>1,141,213</u>	<u>-</u>	<u>-</u>	<u>3,227,351</u>

Governance costs relates to the auditors' fees of £8,938 including irrecoverable VAT.

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Costs of raising funds

	2021 £	2020 £
Other costs of generating voluntary income comprise:		
Fundraising costs	24,712	74,385
Telephone	963	915
Printing, postage and stationery	6,557	8,277
	32,232	83,577
Other cost of activities for generating funds comprise:		
Shop rent, rates and utilities	178,290	196,716
Other shop costs	26,776	54,840
Equipment hire - vans	13,440	13,440
Lottery prizes	78,000	78,000
Lottery commission and other costs	(10,384)	167,415
	286,122	510,411
Trading company cost of sales		
Purchase of goods for resale	3,120	12,112

9 Charitable activities

	2021 £	2020 £
Other costs relating to UK hospice activities comprise:		
Laundry and cleaning	37,726	28,664
Hospice expenses	140,426	195,078
Sundry expenses	455	2,368
Repairs and maintenance	48,130	55,723
Food	34,967	35,644
Rates and water rates	17,765	17,604
Light and heat	47,439	47,161
Travelling	144	2,250
Training	4,268	5,210
Insurance	31,473	33,156
Telephone	1,445	1,373
Restricted fund expenditure (see Note 22)		
Staff fund	-	685
Defibrillator fund (equipment hire)	398	398
PPE fund	12,500	-
Dementia care fund	400	-
Bedding fund	5,000	-
Mattress fund	9,750	-
Syringe pump fund	2,865	-
	395,151	425,314

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Support costs

	2021 £	2020 £
Support costs relating to UK hospice activities comprise:		
Telephone	1,589	409
Postage and stationery	3,270	6,275
Legal and professional fees	35,979	43,083
Bank charges	4,244	10,947
eBay and PayPal fees	4,179	3,787
Repairs and maintenance	-	46
Subscriptions	3,890	3,509
Computer costs	17,485	23,421
Sundry expenses	204	-
Equipment hire	8,813	9,384
	<u>79,653</u>	<u>100,861</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration, expenses or benefits during the year.

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Employees

Number of employees

The average number of employees during the year was:

	2021 Number	2020 Number
Hospice	71	75
Shops, fundraising and publicity	21	17
Support	7	7
	99	99

Employment costs

	2021 £	2020 £
Hospice	1,581,981	1,471,593
Shops, fundraising and publicity	426,727	421,305
Support	120,459	113,408
	2,129,167	2,006,306

Employment costs

	2021 £	2020 £
Wages and salaries	1,889,221	1,792,659
Social security costs	149,172	135,692
Other pension costs	90,774	77,955
	2,129,167	2,006,306

	2021 Number	2020 Number
Number of employees whose total employee benefits for the year fell between each band from £60,000 upwards:-		
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-

Agency nursing or care staff are used when it is not able to sustain the staffing levels to which it is committed from its employees or in response to particular needs. Agency costs are included in hospice expenses (see Note 9) and the cost during the year was £52,045 (2020 - £106,293).

The total employee benefits of the key management personnel of the group was £163,875 (2020 - £162,641).

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Taxation

The charitable company is a registered charity and as such is exempt from taxation on its income so long as this is applied for charitable purpose. No taxation charge arises in the subsidiary company.

14	Net incoming/outgoing resources	2021 £	2020 £
	Net incoming/outgoing resources is stated after charging:		
	Depreciation of fixed assets	83,668	79,832
	Auditors' remuneration	8,938	8,938
	Hire of equipment	22,651	22,824

15 Tangible fixed assets - group and charitable company

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2020	2,694,068	872,821	3,566,889
Additions	2,583	26,846	29,429
Disposals	-	-	-
At 31 March 2021	2,696,651	899,667	3,596,318
Depreciation and impairment			
At 1 April 2020	569,356	773,789	1,343,145
Charge for the year	53,401	30,267	83,668
Disposals	-	-	-
At 31 March 2021	622,757	804,056	1,426,813
Carrying amount			
At 31 March 2021	2,073,894	95,611	2,169,505
At 31 March 2020	2,124,712	99,032	2,223,744

In line with the charitable company's accounting policy, the freehold land and buildings are included at cost less depreciation except for freehold land which is not depreciated. It is noted that in August 2015 a valuation of the property was undertaken by Sutton Kersh showing a value of £2,500,000.

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Fixed asset investments

	Group			Charitable company			
	Listed	Unlisted	Total	Listed	Unlisted	Group	Total
	£	£	£	£	£	£	£
Market value							
At 1 April 2020	491	-	491	491	-	1	492
Change in value in year	162	-	162	162	-	-	162
Realised in year	-	-	-	-	-	-	-
At 31 March 2021	653	-	653	653	-	1	654
Unrestricted funds	653	-	653	653	-	1	654
The investment assets are held:							
In the UK	-	-	-	-	-	1	1
Outside the UK	653	-	653	653	-	-	653
	653	-	653	653	-	1	654
Historical cost:							
At 31 March 2021	-	-	-	-	-	1	1
At 31 March 2020	-	-	-	-	-	1	1

17 Subsidiary undertakings

The wholly owned trading subsidiary St Joseph's Academy Services Limited (company registration number 04271430) is incorporated in the United Kingdom and pays all of its profits to the charitable company by gift aid. St Joseph's Academy Services Limited sell merchandise for fundraising purposes.

The charitable company owns the entire share capital of one ordinary share of £1.

The summary financial performance of the subsidiary alone is:

	2021 £	2020 £
Turnover	10,528	18,973
Cost of sales and administration costs	(3,155)	(12,142)
Net profit	7,373	6,831
Management fee paid to the charitable company	(4,000)	(4,000)
Amount gift aided to the charitable company	(3,373)	(2,831)
Retained in subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Current assets	754	748
Current liabilities	(753)	(747)
Total net assets	1	1
Aggregate share capital and reserves	1	1

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18	Debtors	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
	Trade debtors	91,079	91,079	174,375	174,375
	Amounts owed by group undertakings	-	701	-	724
	Other debtors	12,463	12,463	8,425	8,425
	Prepayments and accrued income	35,344	35,344	286,025	286,025
		<u>138,886</u>	<u>139,587</u>	<u>468,825</u>	<u>469,549</u>

19	Creditors: amounts falling due within one year	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
	Trade creditors	72,371	72,371	54,785	54,785
	Taxes and social security costs	33,320	33,267	35,012	34,988
	Other creditors	58,834	58,834	66,512	66,512
	Accruals	67,363	67,363	71,374	71,374
		<u>231,888</u>	<u>231,835</u>	<u>227,683</u>	<u>227,659</u>

20 Pension and other post-retirement benefit commitments

The charitable company enabled a number of staff to contribute to either their NHS Pension Scheme or to their private scheme. Employer pension contributions to these schemes amounted to £42,570 (2020 - £32,628). Total employer and employee contributions of £7,563 (2020 - £18,860) were due to these schemes at the year end and are included in creditors.

During the year the employer pension contributions to the workplace pension scheme amounted to £48,261 (2020 - £45,327). Total employer and employee contributions of £20,330 (2020 - £16,213) were due to this scheme at the year end and is included in creditors.

21 Share capital

The charitable company is limited by guarantee.

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Restricted funds

The income funds of the charitable company include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
Defibrillator fund	1,602	-	(398)	-	1,204
Overseas hospice fund	684	-	(684)	-	-
PPE fund	-	12,500	(12,500)	-	-
Building fund	-	2,000	-	(2,000)	-
Flooring fund	-	7,640	-	(7,640)	-
Training fund	-	2,000	-	-	2,000
Dementia care fund	-	1,050	(400)	-	650
Bedding fund	-	5,000	(5,000)	-	-
Student fund	-	941	(941)	-	-
Service delivery fund	-	199,190	(199,190)	-	-
NHS England grants	-	665,834	-	(665,834)	-
Mattress fund	-	9,750	(9,750)	-	-
Syringe pump fund	-	2,865	(2,865)	-	-
	2,286	908,770	(231,728)	(675,474)	3,854

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation, and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

	Movement in funds				
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Staff fund	685	-	(685)	-	-
Defibrillator fund	2,000	-	(398)	-	1,602
Overseas hospice fund	-	684	-	-	684
	2,685	684	(1,083)	-	2,286

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Unrestricted funds

The unrestricted funds include a revaluation reserve which represents:

- (a) the amount by which land and buildings exceeded their historical cost based on a revaluation performed a substantial number of years ago.
- (b) the restatement of investments at market value.

Designated fixed asset fund which represents reserves set aside by the trustees showing the extent to which funds are invested in tangible fixed assets for use by the charitable company and therefore not available for other purposes.

	Movement in funds					
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Investments gains/losses	Balance at 31 March 2021
	£	£	£	£	£	£
General fund						
- core reserve	643,129	2,445,243	(2,702,655)	665,834	-	1,051,551
Revaluation reserve						
- land and buildings	44,151	-	-	-	-	44,151
Revaluation reserve						
- investments	491	-	-	-	162	653
Designated fund						
- tangible fixed assets	2,223,744	19,789	(83,668)	9,640	-	2,169,505
	2,911,515	2,465,032	(2,786,323)	675,474	162	3,265,860

	Movement in funds					
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Investments gains/losses	Balance at 31 March 2020
	£	£	£	£	£	£
General fund						
- core reserve	839,693	2,949,872	(3,146,436)	-	-	643,129
Revaluation reserve						
- land and buildings	44,151	-	-	-	-	44,151
Revaluation reserve						
- investments	886	-	-	-	(395)	491
Designated fund						
- tangible fixed assets	2,292,843	10,733	(79,832)	-	-	2,223,744
	3,177,573	2,960,605	(3,226,268)	-	(395)	2,911,515

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

24 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible fixed assets	2,169,504	-	2,169,504
Investments	653	-	653
Current assets	1,327,590	3,854	1,331,444
Creditors amounts due within one year	(231,887)	-	(231,887)
	3,265,860	3,854	3,269,714
Unrealised gains included above:			
On tangible fixed assets	-	-	-
On investments	653	-	653
	653	-	653
Reconciliation of movements in unrealised gains:			
Unrealised gains at 1 April 2020	44,642	-	44,642
Net profit on revaluations in year	162	-	162
Unrealised gains at 31 March 2021	44,804	-	44,804
	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2020 are represented by:			
Tangible fixed assets	2,223,744	-	2,223,744
Investments	491	-	491
Current assets	914,963	2,286	917,249
	(227,683)	-	(227,683)
	2,911,515	2,286	2,913,801
Unrealised gains included above:			
On tangible fixed assets	-	-	-
On investments	491	-	491
	491	-	491
Reconciliation of movements in unrealised gains:			
Unrealised gains at 1 April 2019	45,037	-	45,037
Net profit on revaluations in year	(395)	-	(395)
Unrealised gains at 31 March 2020	44,642	-	44,642

ST JOSEPH'S HOSPICE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

25 Commitments under operating leases

At 31 March 2021 the group had future minimum commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
Within one year	121,000	138,750	682	6,625
Between two and five years	207,416	219,207	-	284
After five years	135,041	34,666	-	-
	<u>463,457</u>	<u>392,623</u>	<u>682</u>	<u>6,909</u>

26 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to assist with the preparation of the financial statements and, with regard to the subsidiary, to submit returns to the tax authorities.

27 Related party transactions

There are no related party transactions which require disclosure.