

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 2022**

# ST JOSEPH'S HOSPICE ASSOCIATION

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# ST JOSEPH'S HOSPICE ASSOCIATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	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
<b>Chief Executive</b>	Mr M Parr
<b>Director of Clinical Services</b>	Ms C Waller
<b>Company Secretary</b>	Mr M Parr
<b>Charity Number</b>	1090151
<b>Company number</b>	04267625
<b>Registered Office</b>	Ince Road Thornton Liverpool L23 4UE
<b>Auditors</b>	Lonsdale & Marsh 509-510 Cotton Exchange Bixteth Street Liverpool L3 9LQ
<b>Bankers</b>	National Westminster Bank plc 23 Sankey Street Warrington Cheshire WA1 1XH
<b>Solicitors</b>	Morecrofts Cotton Exchange Old Hall Street Liverpool L3 9LQ

# ST JOSEPH'S HOSPICE ASSOCIATION

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 MARCH 2022*

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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 2015).

#### **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 31 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 remain 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 20 in the accounting policies. It is estimated that the notional value of volunteer help in 2021/22 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 2021/22 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 Association 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 Association. During the year, the company paid a management charge of £4,000 (2020/21 - £4,000) and made a charitable donation of £2,653 (2020/21- £3,373) to St Joseph's Hospice Association.

## **STRATEGIC REPORT**

#### **Achievement and performance**

The key activity areas across the hospice – Clinical, Fundraising, Retail and Human Resources – all have team plans to enable the delivery of the high level hospice objectives which in turn will take us towards our vision of reaching 'all patients and their families in our communities who need nurse-led end of life care, offering support and compassion through our outstanding and unique service.'

It goes without saying that in the two years since launching the plan we have experienced one of the most turbulent periods in recent history, with the ongoing impacts of Brexit, followed by the global pandemic, and latterly the repercussions from the Russian invasion and protracted war in Ukraine, all of which have contributed in varying degrees to the current economic environment in which we find ourselves. Of course not all of these consequences have affected the hospice directly; for example, the impact at a national level has led to the inevitable funding constraints placed upon the NHS, which then filter down to the hospice in the form of reduced uplift to the rates commissioners pay for our beds, leading in turn to greater pressure

# ST JOSEPH'S HOSPICE ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2022*

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on raising charitable funds to subsidise the shortfall. The same events have of course put pressure on individuals who support the hospice, meaning that those charitable funds are harder to come by as household budgets and disposable income have been squeezed.

Although in some senses the hospice has been able to navigate its way through this period of uncertainty quite successfully – e.g. the limited impact of the Covid-19 virus on our patients through the efforts of staff in implementing control measures, accessing funding from the NHS for ensuring beds were available throughout the crisis, which offset some shortfall in other areas, accessing grants and support from trusts and foundations, and, latterly, finally receiving some long-overdue legacies from benefactors – there is no doubt that many of the developments in services, some aspects of modernising internal processes and functions, and the growth of our income generation models, have been delayed, postponed or only partly achieved. Staff have worked incredibly hard simply just to maintain the service 'as is'. Despite this, however, there have been many successes. Our retail operation is growing, despite the setback of the warehouse fire last year. Our lottery membership has been maintained and much work has gone into switching to a new canvassing model and direct debit systems of sign-up/subscription collection, whilst in fundraising the focus has shifted to maintaining a presence in the community in readiness for the new, post-crisis operating environment as well as increasing our visibility to local businesses through membership of trade groups. HR has been working very hard to modernise, improve and extend our support for staff, our governance processes and our sustainability in terms of recruitment and retention. In our clinical area we have increased the number of patients we are able to care for by building two new rooms (meaning a 7% increase in our capacity, or 30 – 40 additional patients receiving care each year) as well as carrying out a number of grant-funded improvements across the wards, whilst also increasing the number of Non-Medical Prescribers.

Our work with Manchester Metropolitan University continued, as we look to help develop a new model of end of life 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 (RGN) and are members of Dementia Friendly Sefton; a significant bid for capital funds to support further improvements is planned for the coming year.

We have, through accessing various grants, been able to plan for further improvements to our wards, nurses' stations, and take steps toward our major capital project to provide a wellbeing centre on site for our local communities

In short, despite the obvious challenges to delivering anything other than a basic level of service we have still been able to develop and improve, albeit on nothing like the scale we would have wished before the various crises unfolded.

The trustees and staff are proud of the way in which the hospice has managed the extraordinary challenges of the past two years and of the strong position in which the charity finds itself. There is no doubt that, if the hospice had not been in such a strong position at the outset, it would have been very difficult to demonstrate such resilience and deal with those challenges so robustly, a fact which bears out the importance of the structural changes and business remodelling which took place in the years immediately prior to the pandemic.

As a result of the above we have no concerns about the ability of the hospice to operate through 2022/23 in terms of financial viability and we expect to maintain a safe, fully operational clinical service.

# ST JOSEPH'S HOSPICE ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Financial review

##### Income generation

In 2021/22 the hospice recorded an operating surplus of £146k, increasing the general reserves to £1,150,029 with a further £7.4k in restricted funds for specific purchases. Across the year we have seen a typical liquidity ratio of around 30:1 at any one time, which is of course very high. Overall, gross income grew this year by £72k from 2020/21, whilst we were also able to increase spending on patient care from £2.27m in 2020/21 to £2.43m in 2021/22.

In 2021/22, 32% of the gross income of the hospice came from charitable donations, fundraising activities and legacies (2020/21 - 46%), with patient fee income from the CCGs (NHS) contributing 40%. This in part reflects the increased number of patient rooms which, whilst increasing the number of patients cared for each year, also increased the revenue stream from the NHS

Gross income from the hospice shops, lottery and trading company contributed £975k (2020/21 - £603k), showing that the shops in particular had recovered well from the lockdown measures of the pandemic and perhaps proving their value to our local communities, who returned to the shops in numbers. The net surplus from shops was £225k, up from a £147k loss in 2020/21, showing a fantastic performance, particularly in light of losing our warehouse due to fire half way through the year. We will continue to grow the retail estate and progress towards our target of a net contribution of £250kpa.

Legacies and donations fared less well in 2021/22. Much of this was due to the known legacies being delayed in legal process, as legal firms appeared to work much slower during the pandemic. Although the 2021/22 figure (£213k) increased significantly from 2020/21 (£51k), it still left a number of bequests unprocessed during the year. We expect this backlog to come through in the current (2022/23) financial year (as it is indeed appearing to do), with notifications totalling almost £1m in outstanding legacies. Donations inevitably dropped as supporters had less disposable income, and we received around £100k less from donors than in 2021/22 (£235k). On the other hand, our fundraising events did pick up, raising around £40k more than in 2020/21, generating £65k. All of this shows that if nothing else, fundraising income streams can be extremely volatile and difficult to predict, but there was excellent work from both our Retail and Fundraising teams last year to maintain our profile within our communities and in particular building new links within business networks. Particular mention must also be made of our Grants & Community Engagement Manager who continued to seek out and access capital monies to enable specific purchases and service developments across the hospice during a year when such funding was in short supply. The total grant income, including NHS contributions relating to the pandemic, was £588k for the year.

Lottery income suffered during the pandemic, and this has been exacerbated by banks refusing to take on new Standing Orders, our traditional route to signing up new members. As is typical for any year, the natural 'churn' in membership resulted in fewer players each week but with the combination of less disposable income, the inability to canvass door to door for new members during the pandemic (and the public's natural reticence to stand at the doorstep with canvassers for health reasons), plus the added complication of having to move to a new direct debit system of sign-ups, membership has fallen. We have of course taken steps to address the direct debit situation, but this is a protracted process with the banks. We are only a little over half way towards our target of 10,000 members now, resulting in a drop in lottery net income from £226k (2020/21) to £182k this year.

Expenditure in 2021/22 grew by £280k in comparison with 2020/21, and the bulk of this additional expenditure (£158k) was on direct patient care. Other cost increases included wages, as well as rebuilding teams and augmenting support services. We also faced unexpected rises in other areas such as IT costs and our warehouse fire. But the greater part of the balance of the increase in costs was staff costs as a whole, which rose by £120k with the use of agency staff for clinical cover increasing dramatically during the pandemic, and a cost of living award for all staff. Support costs – the day to day costs of administering the hospice, such as postage, banking and the like – actually fell slightly in comparison to the previous year.

# ST JOSEPH'S HOSPICE ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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Overall, the charity proved to be very resilient against the impacts of the pandemic, with the clinical service operating a normal service for patients and relatives 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.

#### **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 £1,150,029 as detailed in Note 23 to the Accounts.

The hospice has minimal sums invested, and income during the year was just £407, a reduction from £579 in 2020/21. 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**

The five year strategic plan operationalised in 2020, which identified five key themes, remains in place:

#### **Our Vision**

To reach all patients and their families in our communities who need nurse-led end of life care, offering support and compassion through our outstanding and unique service.

#### **Our Values**

Our values form the foundation on which we work and conduct ourselves, including the way we interact with patients, relatives, visitors, contractors, partner agencies, staff and volunteers. They also help define the approach we take to delivering our objectives and fulfilling our mission. In short, they are the practices we endeavour to use every day in everything we do.

Our hospice values are:

- Compassion
- Respect
- Dignity
- Hospitality
- Trust

# ST JOSEPH'S HOSPICE ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

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The hospice expects all trustees, staff and volunteers to abide by the Nolan Principles of Public Life, i.e.

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

### **Our Mission**

We intend to realise our vision and deliver our objectives by:

- Extending our range of services to include outreach, respite and day-hospice facilities
- Identifying and addressing emerging End of Life needs such as social isolation, marginalised and excluded groups, the increase in dementia patients and the increased complexity and multiple co-morbidities in older patients
- Increasing and improving the services provided for relatives and visitors to the hospice by
- Developing new facilities for day or night stays
- Building closer ties with our communities and our existing and emerging strategic partners to develop a service that meets the needs of our local population
- We will do these things whilst adhering to our hospice values and the Nolan Principles of Public Life

### **Our Strategic Objectives - Summary**

#### **Priority 1 - High quality End of Life patient care**

Maintaining and improving our services and facilities for our patients & their relatives:

At St Joseph's Hospice we are committed to providing the best possible care for our patients. By remaining financially autonomous we will augment the NHS commissioning income received for each patient and focus on delivering care with compassion, respect, dignity, hospitality and trust, in line with our values. We know that we will have only one chance to ensure that each of our patients and their relatives will have a dignified, pain-free, and peaceful end of life experience and we aim to provide this by constantly reviewing and improving our services, recruiting and training the best staff and working collaboratively alongside our partners. Improving our operating environment is a key part of this strategy, including the improvement of facilities for relatives and visitors. We will also focus on the less visible aspects of site management, including programmed maintenance schedules, site improvements and improved access to the grounds to provide a tranquil space for patients and relatives alike.

#### **Priority 2 – Developing our services**

Identifying and addressing emerging End of Life needs across our local communities:

We know that we need to continually review our service provision in order to keep pace with societal change and associated health care needs of our communities. We know that our local population will see an increase in life expectancy, but also an increase in long-term health conditions. We are likely to see more complex conditions in some of our older patients as they live longer, and an increase in co-morbidities. The increasing prevalence of the various forms of dementia in an ageing population will present challenges for us – not only from our patients, but also potentially from their loved ones who may have the condition and who may visit them at the hospice. It is likely that the number of older people living alone will increase, and as social isolation has been acknowledged as an exacerbating factor in poor end of life experience we will be working to develop services that tackle or alleviate this problem for our surrounding communities.

We also know that our communities will become increasingly diverse, and our services must change to ensure that everyone, regardless of their circumstances or beliefs, not only has access but feels comfortable using the hospice, along with their relatives and friends. We will work to reach excluded and



# ST JOSEPH'S HOSPICE ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

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marginalised groups, such as offenders, substance misusers, homeless people, and travelling communities to ensure that anyone who needs our care is able to receive it.

### **Priority 3 – Engaging with our communities and collaborating with our partners**

Working with our supporters, partners and peers to improve and develop the services we provide to our communities:

We know that no health service is delivered in isolation, and end of life or hospice care is no exception. We have a good working relationship with our local CCG and meet regularly with them. We also have good operational relationships with our key partners and will maintain this multi-disciplinary approach to our work, using these networks to inform, innovate, and adopt new models of best practice. We must be able to demonstrate our value to our partners and funders and we will be explicit about our long term goals by sharing our plan. We want to support local delivery agendas whilst maintaining our unique service; we will be independent but collaborative, as a long standing healthcare charity operating end of life care services for over 40 years. We will maintain our links across the voluntary sector and our national dialogue with Hospice UK, both of which have served us well and ensured that our services remain relevant and supportive of local and national initiatives.

### **Priority 4 – Building a sustainable service for the future**

Ensuring that we have the resources to deliver high quality end of life services for the next stage of the hospice journey:

For the hospice, sustainability means people, spaces, technology, systems and finance. As an independent organisation with around 60% of our income generated through charitable activity, we will continue to be innovative and creative in order to develop our business model and thus make the hospice more sustainable for the long term. We cannot, and do not aspire to be, wholly funded by the NHS or CCGs but as the scale of clinical operations grows and the costs of maintaining it increases, we must ensure the hospice is run efficiently and with a sustainable business model in order to maintain the service for our patients well into the future. We can no longer rely on small-scale fundraising events to provide the level of income required to keep a 21st century healthcare facility operational. We will be ensuring that we have more predictable, robust income streams to give greater surety to our future financial plans.

### **Priority 5 – Good governance; a well-led, well managed and safe organisation**

Creating a culture and developing the tools to ensure that the hospice is well led, compliant, safe and sustainable:

Good governance is critical to the continued safe and compliant operation of the hospice. This objective relates not just to the matter of ensuring our trustee body and management of the hospice is fit for purpose but also to our systems and checks in place across the organisation which are designed to deliver safe services, accurate measurements and management data, legal compliance. This priority is at the heart of all that we do; without good governance the hospice would be exposed to risk across clinical services, finances, staff safety and all other areas of our operation. Good governance also has very tangible positive benefits too, and we will work to ensure that the data from our monitoring systems is put to good use promoting our work, and also in more prosaic operational matters such as reducing insurance premiums.

# ST JOSEPH'S HOSPICE ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

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### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document

The organisation is a charitable company, incorporated in England and Wales on 9<sup>th</sup> 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 2022 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.

#### 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

#### 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.

# ST JOSEPH'S HOSPICE ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **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 (2020/21 - £4,000). In addition, the subsidiary made charitable donations to St Joseph's Hospice Association of £2,653 (2020/21 - £3,373).

### **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 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: 14<sup>th</sup> December 2022

# **ST JOSEPH'S HOSPICE ASSOCIATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2022***

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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**

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#### **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 2022 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 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;
- 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

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#### **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

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#### **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**

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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](http://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: 14<sup>th</sup> December 2022

**Chartered Accountants**  
**Statutory Auditor**

509-510 Cotton Exchange  
Bixteth Street  
Liverpool  
L3 9LQ



# ST JOSEPH'S HOSPICE ASSOCIATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income from:</b>							
Donations, legacies and grants	2	1,005,484	99,603	1,105,087	652,128	908,770	1,560,898
Charitable activities	5	1,364,902	-	1,364,902	1,208,895	-	1,208,895
Other trading activities	3	975,089	-	975,089	603,430	-	603,430
Investment income	4	407	-	407	579	-	579
<b>Total income</b>		<b>3,345,882</b>	<b>99,603</b>	<b>3,445,485</b>	<b>2,465,032</b>	<b>908,770</b>	<b>3,373,802</b>
<b>Expenditure on:</b>							
<b>Raising funds</b>	7	<b>825,294</b>	<b>46,894</b>	<b>872,188</b>	<b>748,201</b>	<b>-</b>	<b>748,201</b>
<b>Charitable activities</b>							
Patient care	7	2,391,336	35,860	2,427,196	2,038,122	231,728	2,269,850
<b>Total expenditure</b>		<b>3,216,630</b>	<b>82,754</b>	<b>3,299,384</b>	<b>2,786,323</b>	<b>231,728</b>	<b>3,018,051</b>
Net gains/(losses) on investments	16	35	-	35	162	-	162
<b>Net income/(expenditure)</b>		<b>129,287</b>	<b>16,849</b>	<b>146,136</b>	<b>(321,129)</b>	<b>677,042</b>	<b>355,913</b>
Transfers between funds	22 / 23	13,278	(13,278)	-	675,474	(675,474)	-
<b>Net movement in funds</b>		<b>142,565</b>	<b>3,571</b>	<b>146,136</b>	<b>354,345</b>	<b>1,568</b>	<b>355,913</b>
<b>Reconciliation of funds:</b>							
Fund balances at 1 April 2021		3,265,860	3,854	3,269,714	2,911,515	2,286	2,913,801
<b>Fund balances at 31 March 2022</b>		<b>3,408,425</b>	<b>7,425</b>	<b>3,415,850</b>	<b>3,265,860</b>	<b>3,854</b>	<b>3,269,714</b>

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 2022**

	2022 £	2021 £
Total income	3,445,485	3,373,802
Total expenditure from income funds	(3,299,384)	(3,018,051)
	146,101	355,751
Gains/(losses) on investments	35	162
<b>Net income/(expenditure) for the year</b>	<b>146,136</b>	<b>355,913</b>

The summary consolidated income and expenditure account is derived from the consolidated statement of financial activities on page 15 which, together with the notes on pages 19 to 36 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 2022

		Group	Charitable company 2022 £	Group	Charitable company 2021 £
	Notes				
<b>Fixed assets</b>					
Tangible assets	15	2,213,557	2,213,557	2,169,505	2,169,505
Investments	16	688	689	653	654
		<u>2,214,245</u>	<u>2,214,246</u>	<u>2,170,158</u>	<u>2,170,159</u>
<b>Current assets</b>					
Stock		-	-	749	-
Debtors	18	301,838	301,838	138,886	139,587
Cash at bank and in hand		1,118,364	1,118,364	1,191,809	1,191,803
		<u>1,420,202</u>	<u>1,420,202</u>	<u>1,331,444</u>	<u>1,331,390</u>
<b>Creditors: amounts falling due within one year</b>	19	(218,597)	(218,598)	(231,888)	(231,835)
<b>Net current assets</b>		<u>1,201,605</u>	<u>1,201,604</u>	<u>1,099,556</u>	<u>1,099,555</u>
<b>Total assets less current liabilities</b>		<u>3,415,850</u>	<u>3,415,850</u>	<u>3,269,714</u>	<u>3,269,714</u>
<b>Income funds</b>					
Restricted funds	22	7,426	7,426	3,854	3,854
<b>Unrestricted funds</b>					
Unrestricted income funds	23	1,150,029	1,150,029	1,051,551	1,051,551
Designated funds	23	2,213,556	2,213,556	2,169,505	2,169,505
Revaluation reserve	23	44,839	44,839	44,804	44,804
		<u>3,408,424</u>	<u>3,408,424</u>	<u>3,265,860</u>	<u>3,265,860</u>
		<u>3,415,850</u>	<u>3,415,850</u>	<u>3,269,714</u>	<u>3,269,714</u>

The notes on pages 19 to 36 form part of these financial statements.

The financial statements were approved by the board of trustees on 14 December 2022 and are signed on its behalf by:

.....  
Mr D J Bricknell  
Trustee

.....  
Mr K A Guy  
Trustee

Company Registration No. 04267625

# ST JOSEPH'S HOSPICE ASSOCIATION

## STATEMENT OF CASHFLOWS AND CONSOLIDATED CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Group	Charitable company 2022 £	Group	Charitable company 2021 £
<b>Cash flows from operating activities</b>				
Net movement in funds (as per SOFA)	146,136	146,136	355,913	355,913
Adjustments for :				
Depreciation	82,285	82,285	83,668	83,668
(Gains)/losses in investments	(35)	(35)	(162)	(162)
Dividends from investments	(6)	(6)	(2)	(2)
Interest receivable	(401)	(401)	(577)	(577)
(Increase)/decrease in stock	749	-	-	-
(Increase)/decrease in debtors	(162,952)	(162,251)	329,939	329,962
Increase/(decrease) in creditors	(13,291)	(13,237)	4,205	4,176
<b>Net cash provided by (used in) operating activities</b>	<b>52,485</b>	<b>52,491</b>	<b>772,984</b>	<b>772,978</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(126,337)	(126,337)	(29,429)	(29,429)
Dividends from investments	6	6	2	2
Interest receivable	401	401	577	577
<b>Net cash provided by (used in) investing activities</b>	<b>(125,930)</b>	<b>(125,930)</b>	<b>(28,850)</b>	<b>(28,850)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(73,445)</b>	<b>(73,439)</b>	<b>744,134</b>	<b>744,128</b>
Cash and cash equivalents as at 1 April 2021	1,191,809	1,191,803	447,675	447,675
<b>Cash and cash equivalents as at 31 March 2022</b>	<b>1,118,364</b>	<b>1,118,364</b>	<b>1,191,809</b>	<b>1,191,803</b>

# ST JOSEPH'S HOSPICE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### **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 2022

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#### **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 2022

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#### 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 2022**

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### **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 2022

#### 2 Donations, legacies and grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Donations and legacies</b>						
Donations and gifts	235,600	-	235,600	334,444	-	334,444
Legacies received	212,879	-	212,879	50,982	-	50,982
Events	65,189	-	65,189	19,237	-	19,237
Other income	3,435	-	3,435	1,430	-	1,430
Grants	488,381	99,603	587,984	246,035	908,770	1,154,805
	<b>1,005,484</b>	<b>99,603</b>	<b>1,105,087</b>	<b>652,128</b>	<b>908,770</b>	<b>1,560,899</b>

Unrestricted fund grants in 2022 include income from the following:

Coronavirus Job Retention Scheme	11,432	95,410
	<b>11,432</b>	<b>95,410</b>

#### 3 Other trading activities

	2022 £	2021 £
<b>Shops</b>		
Shop income	695,036	298,691
Shop staff costs	(228,181)	(227,536)
Shop rent, rates and utilities	(171,406)	(178,290)
Other shop expenses	(70,905)	(40,216)
Profit/(loss) arising from shops	<b>224,544</b>	<b>(147,351)</b>
Number of shops trading in year	<b>10</b>	<b>11</b>
<b>Lottery</b>		
Lottery income	268,263	294,211
Lottery prizes (see Note 8)	(78,000)	(78,000)
Lottery commission and other costs	(8,253)	10,384
Profit arising from lottery	<b>182,010</b>	<b>226,595</b>
<b>Trading company</b>		
Income	11,790	10,528
Cost of sales	(5,102)	(3,120)
Gross profit arising from trading company	<b>6,688</b>	<b>7,408</b>
<b>Summary</b>		
Income	975,089	603,430
Cost of activities for generating funds	(556,745)	(513,658)
Trading company cost of sales	(5,102)	(3,120)
	<b>413,242</b>	<b>86,652</b>

# ST JOSEPH'S HOSPICE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 4 Investment income

	2022	2021
	£	£
Income from listed investments	6	2
Interest receivable	401	577
	<u>407</u>	<u>579</u>

#### 5 Charitable activities

	2022	2021
	£	£
Patient care fee income	<u>1,364,902</u>	<u>1,208,895</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.

	2022	2021
	£	£
The summary financial position of the charitable company alone is:		
Income	3,433,695	3,363,274
Management fee and gift aid from subsidiary company	6,653	7,373
	<u>3,440,348</u>	<u>3,370,647</u>
Expenditure on charitable activities	3,285,310	3,005,958
Governance costs	8,938	8,938
	<u>3,294,248</u>	<u>3,014,896</u>
Net income/(expenditure)	146,100	355,751
Gains/(losses) of investments	35	162
Net movement in funds	<u>146,135</u>	<u>355,913</u>
Total funds brought forward	3,269,714	2,913,801
Total funds carried forward	<u>3,415,849</u>	<u>3,269,714</u>
Represented by		
Restricted income funds	8,306	3,854
Unrestricted income funds	3,407,544	3,265,860
	<u>3,415,850</u>	<u>3,269,714</u>

# ST JOSEPH'S HOSPICE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 7 Total resources expended

	Notes	Unrestricted reserves			Restricted reserves		Total 2022 £
		Staff costs £	Depreciation £	Other costs £	Staff costs £	Other costs £	
<b>Costs of raising funds</b>	<b>8</b>						
Costs of generating voluntary income		257,644	-	52,698	-	-	310,342
Cost of activities for generating funds		181,287	-	328,564	46,893	-	556,744
Trading company cost of sales		-	-	5,102	-	-	5,102
		<u>438,931</u>	<u>-</u>	<u>386,364</u>	<u>46,893</u>	<u>-</u>	<u>872,188</u>
<b>Charitable activities</b>							
Patient care	9	1,625,536	82,285	472,145	9,184	21,676	2,210,826
Support costs	10	128,304	-	74,128	-	5,000	207,432
Governance costs		-	-	8,938	-	-	8,938
		<u>1,753,840</u>	<u>82,285</u>	<u>555,211</u>	<u>9,184</u>	<u>26,676</u>	<u>2,427,196</u>
<b>Total</b>		<u>2,192,771</u>	<u>82,285</u>	<u>941,575</u>	<u>56,077</u>	<u>26,676</u>	<u>3,299,384</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 2022

### 7 Total resources expended

continued

	Notes	Unrestricted reserves			Restricted reserves		Total 2021 £
		Staff costs £	Depreciation £	Other costs £	Staff costs £	Other costs £	
<b>Costs of raising funds</b>	<b>8</b>						
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>
<b>Charitable activities</b>							
Patient care	<b>9</b>	1,381,166	83,668	364,238	200,815	30,913	2,060,800
Support costs	<b>10</b>	120,459	-	79,653	-	-	200,112
Governance costs		-	-	8,938	-	-	8,938
		<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>
Total		<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.

### 8 Costs of raising funds

	2022 £	2021 £
<b>Other costs of generating voluntary income comprise:</b>		
Fundraising costs	<b>44,532</b>	24,712
Telephone	<b>876</b>	963
Printing, postage and stationery	<b>7,290</b>	6,557
	<u><b>52,698</b></u>	<u>32,232</u>

# ST JOSEPH'S HOSPICE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 8 Costs of raising funds (continued)

	2022 £	2021 £
<b>Other cost of activities for generating funds comprise:</b>		
Shop rent, rates and utilities	171,406	178,290
Other shop costs	54,745	26,776
Equipment hire - vans	16,160	13,440
Lottery prizes	78,000	78,000
Lottery commission and other costs	8,253	(10,384)
	<b>328,564</b>	<b>286,122</b>
<b>Trading company cost of sales</b>		
Purchase of goods for resale	5,102	3,120

#### 9 Charitable activities

	2022 £	2021 £
<b>Other costs relating to UK hospice activities comprise:</b>		
Laundry and cleaning	49,637	37,726
Hospice expenses	217,123	140,426
Sundry expenses	4,119	455
Repairs and maintenance	48,992	48,130
Food	40,190	34,967
Rates and water rates	20,715	17,765
Light and heat	53,238	47,439
Travelling	39	144
Training	9,163	4,268
Insurance	27,615	31,473
Telephone	1,314	1,445
Restricted fund expenditure (see Note 22)		
Training fund	880	-
Dementia care fund	650	-
Bedside table fund	1,500	-
Refurbishment fund	4,300	-
Bee project fund	1,000	-
V R Equipment fund	840	-
Fence Fund	5,000	-
Recliner chair fund	2,400	-
Suction pump fund	4,608	-
Patient support group	100	-
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
	<b>493,821</b>	<b>395,151</b>

# ST JOSEPH'S HOSPICE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 10 Support costs

	2022 £	2021 £
<b>Support costs relating to UK hospice activities comprise:</b>		
Telephone	5,693	1,589
Postage and stationery	6,551	3,270
Legal and professional fees	30,554	35,979
Bank charges	6,370	4,244
eBay and PayPal fees (included in fundraising costs from 2022)	-	4,179
Repairs and maintenance	244	-
Subscriptions	4,139	3,890
Computer costs	18,618	17,485
Sundry expenses	794	204
Equipment hire	1,165	8,813
Restricted funds		
Feasibility fund	5,000	-
	<b>79,128</b>	<b>79,653</b>

#### 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 2022

#### 12 Employees

##### Number of employees

The average number of employees during the year was:

	2022 Number	2021 Number
Hospice	73	71
Shops, fundraising and publicity	21	21
Support	7	7
	<b>101</b>	<b>99</b>

##### Employment costs

	2022 £	2021 £
Hospice	1,634,720	1,581,981
Shops, fundraising and publicity	485,824	426,727
Support	128,304	120,459
	<b>2,248,848</b>	<b>2,129,167</b>

##### Employment costs

	2022 £	2021 £
Wages and salaries	1,996,858	1,889,221
Social security costs	158,208	149,172
Other pension costs	93,782	90,774
	<b>2,248,848</b>	<b>2,129,167</b>

	2022 Number	2021 Number
Number of employees whose total employee benefits for the year fell between each band from £60,000 upwards:-		
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

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 £100,760 (2021 - £52,045).

The total employee benefits of the key management personnel of the group, excluding pension contributions, was £150,281 (2021 - £145,344).

# ST JOSEPH'S HOSPICE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 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	2022 £	2021 £
	Net incoming/outgoing resources is stated after charging:		
	Depreciation of fixed assets	82,285	83,668
	Auditors' remuneration	8,938	8,938
	Hire of equipment	17,723	22,651

#### 15 Tangible fixed assets - group and charitable company

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2021	2,696,651	899,667	3,596,318
Additions	106,237	20,100	126,337
Disposals	-	(20,720)	(20,720)
<b>At 31 March 2022</b>	<b>2,802,888</b>	<b>899,047</b>	<b>3,701,935</b>
<b>Depreciation and impairment</b>			
At 1 April 2021	622,757	804,056	1,426,813
Charge for the year	55,578	26,707	82,285
Disposals	-	(20,720)	(20,720)
<b>At 31 March 2022</b>	<b>678,335</b>	<b>810,043</b>	<b>1,488,378</b>
<b>Carrying amount</b>			
<b>At 31 March 2022</b>	<b>2,124,553</b>	<b>89,004</b>	<b>2,213,557</b>
At 31 March 2021	2,073,894	95,611	2,169,505

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 2022

#### 16 Fixed asset investments

	Group			Charitable company			
	Listed	Unlisted	Total	Listed	Unlisted	Group	Total
	£	£	£	£	£	£	£
<b>Market value</b>							
At 1 April 2021	653	-	653	653	-	1	654
Change in value in year	35	-	35	35	-	-	35
Realised in year	-	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>688</b>	<b>-</b>	<b>688</b>	<b>688</b>	<b>-</b>	<b>1</b>	<b>689</b>
Unrestricted funds	<b>688</b>	<b>-</b>	<b>688</b>	<b>688</b>	<b>-</b>	<b>1</b>	<b>689</b>
The investment assets are held:							
In the UK	-	-	-	-	-	1	1
Outside the UK	688	-	688	688	-	-	688
	<b>688</b>	<b>-</b>	<b>688</b>	<b>688</b>	<b>-</b>	<b>1</b>	<b>689</b>
<b>Historical cost:</b>							
<b>At 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
At 31 March 2021	-	-	-	-	-	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:

	2022 £	2021 £
<b>Turnover</b>	<b>11,790</b>	10,528
Cost of sales and administration costs	(5,137)	(3,155)
<b>Net profit</b>	<b>6,653</b>	7,373
Management fee paid to the charitable company	(4,000)	(4,000)
Amount gift aided to the charitable company	(2,653)	(3,373)
<b>Retained in subsidiary</b>	<b>-</b>	-
<b>The assets and liabilities of the subsidiary were:</b>		
Current assets	61	754
Current liabilities	(60)	(753)
<b>Total net assets</b>	<b>1</b>	1
<b>Aggregate share capital and reserves</b>	<b>1</b>	1

# ST JOSEPH'S HOSPICE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

18	Debtors	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
	Trade debtors	128,319	128,319	91,079	91,079
	Amounts owed by group undertakings	-	-	-	701
	Other debtors	9,364	9,364	12,463	12,463
	Prepayments and accrued income	164,155	164,155	35,344	35,344
		<u>301,838</u>	<u>301,838</u>	<u>138,886</u>	<u>139,587</u>
19	Creditors: amounts falling due within one year	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
	Trade creditors	74,441	74,441	72,371	72,371
	Amounts owed to group undertakings	-	61	-	-
	Taxes and social security costs	37,754	37,694	33,320	33,267
	Other creditors	48,381	48,381	58,834	58,834
	Accruals	58,021	58,021	67,363	67,363
		<u>218,597</u>	<u>218,598</u>	<u>231,888</u>	<u>231,835</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 £50,596 (2021 - £42,570). Total employer and employee contributions of £9,134 (2021 - £7,563) 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 £43,186 (2021 - £48,261). Total employer and employee contributions of £11,773 (2021 - £20,330) 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 2022

#### 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 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£
Defibrillator fund	1,204	-	(398)	-	806
Training fund	2,000	2,000	(880)	-	3,120
Dementia care fund	650	-	(650)	-	-
Kickstart fund	-	56,076	(56,076)	-	-
Bedside table fund	-	1,500	(1,500)	-	-
Refurbishment fund	-	4,301	(4,301)	-	-
Bee project fund	-	1,000	(1,000)	-	-
V R Equipment fund	-	9,200	(840)	(8,360)	-
Fence Fund	-	5,000	(5,000)	-	-
Recliner chair fund	-	5,900	(2,400)	-	3,500
Feasibility study fund	-	5,000	(5,000)	-	-
Suction pump fund	-	4,608	(4,608)	-	-
Patient support group	-	100	(100)	-	-
Garden Furniture fund	-	4,918	-	(4,918)	-
	<b>3,854</b>	<b>99,603</b>	<b>(82,753)</b>	<b>(13,278)</b>	<b>7,426</b>

	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)	-	-
	<b>2,286</b>	<b>908,770</b>	<b>(231,728)</b>	<b>(675,474)</b>	<b>3,854</b>

# ST JOSEPH'S HOSPICE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 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 2021	Incoming resources	Resources expended	Transfers	Investments gains/losses	Balance at 31 March 2022
	£	£	£	£	£	£
General fund						
- core reserve	1,051,551	3,246,103	(3,134,347)	(13,278)	-	1,150,029
Revaluation reserve						
- land and buildings	44,151	-	-	-	-	44,151
Revaluation reserve						
- investments	653	-	-	-	35	688
Designated fund						
- tangible fixed assets	2,169,505	113,059	(82,286)	13,278	-	2,213,556
	<b>3,265,860</b>	<b>3,359,162</b>	<b>(3,216,633)</b>	<b>-</b>	<b>35</b>	<b>3,408,424</b>

	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
	<b>2,911,515</b>	<b>2,465,032</b>	<b>(2,786,323)</b>	<b>675,474</b>	<b>162</b>	<b>3,265,860</b>

# ST JOSEPH'S HOSPICE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 24 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
<b>Fund balances at 31 March 2022 are represented by:</b>			
Tangible fixed assets	2,213,556	-	2,213,556
Investments	688	-	688
Current assets	1,411,896	7,426	1,419,322
Creditors amounts due within one year	(218,537)	-	(218,537)
	<b>3,407,603</b>	<b>7,426</b>	<b>3,415,029</b>
Unrealised gains included above:			
On tangible fixed assets	-	-	-
On investments	688	-	688
	<b>688</b>	<b>-</b>	<b>688</b>
Reconciliation of movements in unrealised gains:			
Unrealised gains at 1 April 2021	44,804	-	44,804
Net profit on revaluations in year	35	-	35
Unrealised gains at 31 March 2022	<b>44,839</b>	<b>-</b>	<b>44,839</b>
	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total £</b>
<b>Fund balances at 31 March 2021 are represented by:</b>			
Tangible fixed assets	2,169,504	-	2,169,504
Investments	653	-	653
Current assets	1,327,590	3,854	1,331,444
	(231,887)	-	(231,887)
	<b>3,265,860</b>	<b>3,854</b>	<b>3,269,714</b>
Unrealised gains included above:			
On tangible fixed assets	-	-	-
On investments	653	-	653
	<b>653</b>	<b>-</b>	<b>653</b>
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	<b>44,804</b>	<b>-</b>	<b>44,804</b>

# ST JOSEPH'S HOSPICE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 25 Commitments under operating leases

At 31 March 2022 the group had future minimum commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2022	2021	2022	2021
	£	£	£	£
Within one year	114,750	121,000	-	682
Between two and five years	207,728	207,416	-	-
After five years	45,541	135,041	-	-
	<u>368,019</u>	<u>463,457</u>	<u>-</u>	<u>682</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.