

Annual Report and Financial Statements

31 March 2021

Charity Registration No: 1113125

Company Limited by Guarantee

Company Registration No: 05513914 (England and Wales)



St Joseph's
Hospice

Compassionate Community Care since 1905

Advocacy | Compassion | Justice | Quality | Respect

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Reports



Reference and administrative information

St Joseph's Hospice, Hackney



Mr Paddy McGuinness
CMG, OBE, MA (Chair)



Mr Edward B McGuigan
BA FFA FIPA



Prof Francis Campbell
BA MA PhD (honoris causa)
DUniv (Vice-Chair)
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BD (Hons) OCDS
CPsychol CSci FBPSS
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FCIPD



Sister Rita Dawson
MBE DL RSC MSc BSc
(Hons) RGN RSCN



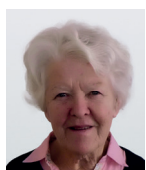
Dr Una Molloy
RGN, RM, BNS (Hons),
MSc Nursing, PhD



Margaret Doherty
BA (Hons), DEBA, MCIPR



Dr Michael Moran
PhD MMedSci
MBBChBAO BSc (Hons)
MRCS DO-HNS



Sister Jacqueline Doherty
RSC



Mr Peter Pledger

Senior Management Team	
Chief Executive	Tony McLean SRN, RMN, RHV, Fellow of IOD
Director of Clinical Services	Jane Naismith RN QN PGCE BSc (Hons) MSc
Medical Director and Consultant in Palliative Medicine	Dr Andrew Tysoe-Calnon BSc MBBS FRCP
Director of Finance & Facilities	David French FCCA, MBA
Director of Communications & Enterprise	Tracey Macbeth BA (Hons)
Director of Human Resources	Janet Simkins BA (Hons) MCIPD, MCIH
Head of Mission	Carolyn Barber RGN, BSc (Hons) Oncology, MA
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Charity Registration Number	1113125
Registered Address	Mare Street Hackney London E8 4SA
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Investment Managers	CCLA Investment Management Limited 80 Cheapside London EC2V 6D2
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP The Co-operative Bank plc 80 Cornhill London EC3V 3NJ

Chair's statement

The past year has been challenging for St Joseph's Hospice and for the communities we serve. Some of us are mourning the loss of loved ones and even more have had our lives changed by the effects of the Covid-19 Pandemic. It is a source of great pride and comfort to me that through all this St Joseph's has continued to care so well for the sick and dying and for their families.

Of course, it is not the first pandemic we have faced in our 116-year history and sadly will not be the last. In meeting it we are inspired by the example of our forebears, the five sisters who founded the Hospice in 1905, and their Mission and Values which endure in our own.

In spite of the pandemic, we end the year in good order, under the leadership of Chief Executive Tony McLean, the Senior Management Team (SMT), and with support from the staff, volunteers and Board of Trustees. We have remained true to the strategic direction laid out in our five-year plan – Vision 2024 – but with some Covid-19 related adjustments. One particular example is fundraising which has experienced difficulties right across the charitable sector, but St Joseph's has more than compensated for unavoidable shortfalls with robust financial management and new enterprise initiatives. We are also proud to have provided contingency ward space for the great NHS hospitals in our area.

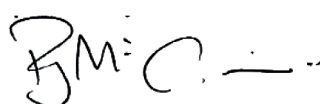
As part of our Care Strategy we worked to provide care closer to home, which has often been challenging during periods of lockdown though ever more important. By harnessing technology, we have found new ways to stay connected with our patients without losing the essential human connection which is so much a part of our care. I am sure that some of these methods will stay with us for the future.

I take particular pride in how we have been able to support the dying and their families, especially given that demand for support sessions increased by 20% as people have experienced more traumatic bereavements during the pandemic.

On a positive note, the last twelve months have reminded me how much St Joseph's is embedded in the local community, and I would like to pay tribute to the numerous local people and organisations who came forward in their droves with PPE, food and offers of help when we needed it most. We felt embraced by their love just as our founding sisters did when they arrived here with little to support their Mission. The Board of Trustees, Senior Management Team and staff would like to say 'thank you and God bless you'.

For the Trustees, the delivery of excellence in patient care – under the umbrella of well-led and good governance – is central to what we do, and every day we see examples of this from the staff, volunteers and the senior management team who work tirelessly with the same aim of Service. I continue to be humbled and to give thanks for all that they do.

Paddy McGuinness, CMG OBE, MA, Chair of Trustees.



Paddy McGuinness
CMG OBE
Chair of Trustees



Message from the CEO

As Chief Executive of St Joseph's Hospice for the last two and a half years, my priority has continued to be the execution of Vision 2024 – the strategy that has underpinned everything we have planned and achieved in the last financial year.

That plan of course could not have anticipated the dreadful pandemic that the world is still facing, but despite this, we have had a successful year, thanks to the hugely talented individuals who provide care and support to those we care for as well as the Senior Management Team who lead each strand of the plan, and of course our wonderful wider workforce.

If I had to choose three words that define how we have operated in the last twelve months, they are committed, adaptable and dogged. I am incredibly proud of how we have faced and embraced each challenge head on. When we had to temporarily shut down services, our staff simply found other ways to support our patients. Technology has played a big part, providing us with new ways to operate many of our services. This meant that whilst our on-site footfall decreased, the sheer volume of contacts with our patients has increased exponentially, with no impact on the quality of the service.

Of course, we have also played our part in the fight against Covid-19, and just before the peak of the crisis, were asked by our CCGs to make more beds available. Our team worked incredibly hard to prepare our St Anne's Ward and add beds to our two existing wards, so that we were ready to further contribute to London-wide Covid-19 efforts in a matter of weeks.

As part of our Enterprise strategy, we have continued to seek new ways to generate income and, as a result, have not experienced the financial challenges that some other hospices have faced. We have continued to invest in the Hospice site by refurbishing unused parts of the site, which, in turn, has enabled us to rent more space to commercial organisations. We have also taken giant leaps forward in terms of our sustainability programme, including the purchase of electric vehicles and the installation of solar panels.

Like all charities, fundraising has not been easy, and retail has experienced some difficulties due to long periods of shop closures. Nevertheless, we have still been able to achieve most of our fundraising targets, in no small part thanks to the generous support from our local community and corporate donors, all of this despite a downturn in legacies.

I have left 2021 with a sense of immense pride in what we have achieved this year, and cannot stress the importance of all our staff – of course those on the frontline, but also those who work behind the scenes – who have made it possible for us to continue to provide a safe service to our patients.

We look to the year ahead with confidence, and I know that we will deliver our Mission and preserve our values throughout.



Tony McLean
Chief Executive



Trustees Report

Introduction

The trustees present their statutory report together with the financial statements of St Joseph's Hospice, Hackney, for the year ended 31 March 2021. The report, which constitutes a trustees' report for the purposes of charity legislation and a directors' report for the purposes of company legislation, has been prepared in accordance with Part VIII of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 37 to 43 of the attached financial statements, and comply with the charitable company's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

Overview

St Joseph's Hospice is a proud, modern, caring and compassionate independent Catholic charity which supports the diverse communities of East London and its surrounding areas. We deliver specialist palliative care, end of life care and respite care for people with progressive and life-limiting illnesses, as well as providing comprehensive support for their families and carers. All of our services are provided free of charge.

Our priority is to provide excellent care for people with complex conditions which require a multi-disciplinary clinical and nursing approach and to provide specialist support and expertise in end of life care to generalist services in hospitals and the community. In addition, we offer expert advice and support to other professionals on specialist palliative and end of life care, deliver specialised education and training, and undertake targeted research in aspects of this care. Underpinning all of our work, as part of our founding Mission, is a particular responsibility to support the poor – regardless of the form which their poverty takes – whether it be poverty of health, economic condition, social circumstance, or emotional and spiritual need.

We operate the Hospice in full sight of the highest clinical and ethical standards underpinned by our Catholic values. We are committed to our responsibility to promote a clear vision of the highest quality in specialist palliative and end of life care, being called to speak and act in our commitment to the human dignity of the entire person and the sacredness of every human life.

Historically, approximately half of our income comes from the NHS, which means we need to raise no less than £7 million a year just to meet our operating costs. This funding comes from the legacies, donations and other fundraising initiatives which we undertake. We owe a significant debt of gratitude to the generosity and goodwill of our local communities and we thank them for their continued commitment to us and the considerable support which they offer us, year after year.

St Joseph's Hospice was founded by The Religious Sisters of Charity in 1905 in Hackney and has built an outstanding reputation in providing the highest quality care to our communities in East London and beyond. This part of East London has been characterised by a long history of material poverty and deprivation as well as religious, ethnic and cultural diversity.

We continue to explore new sources of funding to augment the income which we currently receive from the NHS and our charitable donors, and we endeavour to increase income from our various enterprises which are operated entirely in keeping with our founding Ethos and Mission.

As part of all of these enterprises, we remain committed to ensuring that we always protect those we care for and their families, as we continue to influence those who commission our services, demonstrating the excellence of our care in a setting of valued-added efficiency and effectiveness.

Objectives and activities

Charitable objectives & principal activities

Our charity's purposes, as set out in the objects contained in our Articles of Association, are the relief of sickness and disability, in particular by:

- The provision of specialist palliative, nursing, medical and other care services;
- The provision of pastoral care services for the spiritual welfare and support of patients, relatives and staff;
- The provision of education and research into the care of sick or disabled people.

The aims of the charity are to provide physical, emotional, social and spiritual care to physically ill people of all races and creeds.

Mission statement

Our mission at St Joseph's is:

- To treat all individuals as unique;
- To enable all to reach their full potential until the end of their natural life;
- To confront and manage the patient's pain and distress whether physical, medical, psychological, social or spiritual;
- To encourage openness and honesty when communicating with the patient and family members;
- To create an atmosphere where healing can occur;
- To show particular concern for staff at all levels;
- To be committed to education, research and an ethical approach to care;
- To be committed to the development of palliative care throughout the UK and further afield; and
- To actively participate in the national associations of the various palliative care disciplines.

Vision

Our vision is that everyone with a life-limiting illness is as fully supported as possible to ensure that they live well until the end of their natural life, and that support is provided where and when they need it.

Core values

We are committed to five core values. These are:

Respect for human dignity

We respect human dignity when we respect the sacredness of life, care for the whole person, demonstrate unity of purpose while recognising individual differences, value each person's contribution and act in a culturally appropriate manner.

Service/quality

We provide service when we create an environment of welcome and hospitality, promote quality care and excellence, encourage and demonstrate team spirit, recognise the value of individual initiatives and ideas and show an openness to constructive criticism and feedback.

Care of the poor and vulnerable/advocacy

We care for the poor and vulnerable when we listen attentively to identify unmet needs, respond in a practical way to those in need, collaborate with others to share resources, create access to needed services and provide basic resources for daily living to those in need.

Compassion

We show compassion when we act with understanding and sensitivity, work cooperatively with others, are available to those we serve and to each other and respect and nurture the environment.

Justice

We promote justice when we act with integrity, respect the rights of others, take responsibility for our actions, preserve resources, provide quality without extravagance, demonstrate fairness in decision making, affirm, celebrate and develop the gifts and talents of each person and model justice in all aspects of business practice.

Strategic achievements and performance

The Senior Management Team, with the support of our Board of Trustees, continues to drive forward with implementation of the 5-year strategic plan. Now in Year 3, Vision 2024 sets out how we will develop and invest in the Hospice until 2024 with the flexibility to respond to the evolving external environment, including the changing needs of the population we serve.



Patients

We aim to provide a warm, welcoming and comfortable environment for our patients, their families, and our visitors and staff. This includes our 5 star hygiene rated high quality catering provision for inpatients with food freshly cooked daily on site. Visitors as well as staff can purchase a range of affordable hot and cold food and drinks from our popular Five Sisters Café, and all have access to our stunning award-winning gardens. Our Reception and Community Hub area is welcoming, and incorporates our Heritage Room where visitors can learn more about, and develop a deeper understanding of our rich heritage, and the role which it rightly takes within today's modern society.

We continue to deliver high quality services to our patients, as well as building our reputation as a centre of excellence for specialist palliative care, working closely with primary care and local hospitals. Our services include in-patient, outpatient, day care, respite care, advice and support in the individual's home or care home, and bereavement support. Much of this is available 24/7. We take immense pride in the excellent feedback which we regularly receive on the care and quality of our services which we provide.

The Hospice serves an ethnically and culturally diverse set of communities, and over many years we have developed a fully inclusive approach in supporting members of those communities, especially those who may not traditionally have considered using our range of hospice services. We work extremely hard to meet the varying needs and expectations of all our patients, their families and carers, whatever their cultural, spiritual, ethnic background, gender or sexual orientation. We

offer culturally sensitive diets, a comprehensive range of advocacy services, as well as a multi-faith Mission and Chaplaincy service. Our ability to communicate effectively with those we serve is essential, and on any given day, there can be as many as 33 different languages spoken by our staff, patients, visitors and callers as well as our numerous volunteers.

Within the communities which we serve, approximately half (49%) of the patients referred identify themselves as BAMER, and their predominant stated religions are Christian, Catholic and Muslim.

Just over a third (36%) of patients are on or below the poverty line, and 35% of the patients referred to us had a non-cancer diagnosis, compared with 44% in the previous year.

We continually strive to improve equitable access to specialist palliative and end of life care, providing education, training and support to partners, and to healthcare professionals requiring advice on managing complex symptoms.

We have continued to deliver high quality service to our patients, despite the obvious impacts of the Covid-19 Pandemic. We maintain and enhance our reputation as a centre of excellence for specialist palliative care through our continued close working with our colleagues within primary care and our local hospitals. Our core services include:

- Inpatient Unit including planned respite
- Community Palliative Care
- Day Hospice
- Social Work including Benefits Advice and Carer Support

- Psychological Therapies including Bereavement and Patient and Family Counselling
- Complementary Therapies
- Physiotherapy including Breathing Space Clinic and Occupational Therapy including Re-energise
- A range of classes to support people to manage their conditions and remain well

Further services provided through our internal referral process are:

- Speech and language therapy
- Dietetics
- Namaste (volunteer-led community service)
- Compassionate Neighbours (volunteer-led community service)
- Empowered Living Team
- Carers Service

The overwhelming majority of our services are available 24/7.

We take particular pride in the excellent feedback on the care and quality of our services. As we previously reported, our CCG conducted their annual review in autumn 2019. This focused on the quality of our clinical services, our safeguarding procedures and our organisational leadership. They rated our services as being good. We have continued very close contact with our Commissioners throughout 2020/21 to ensure that we provided targeted support to patients and communities particularly in light of the well-rehearsed pressures within acute settings throughout the Covid-19 pandemic.

Demand on the Hospice continues to increase. During the last 12 months, we have recorded 5,748 patients contacts including 3,470 external referrals, an 8% increase on the previous year along with 386 in the inpatient unit referrals. 212 appointments were made through our day services which represents a slight reduction compared with the previous year due to the temporary closure of services due to the Covid-19 pandemic. We did however see a corresponding increase in community contacts with an increase of 4% to 18,500 contacts by our Community Palliative Care Team (CPCT) as they adjusted and adapted their support routes in order to maintain contact with

patients in agile and different ways due to the restrictions imposed by the pandemic, such as by telephone or video meetings.

Of particular note is the 20% increase in support sessions provided to patients and bereaved people as a result of referrals, from 6,234 in the previous year to 7,458 in the last twelve months. This is mainly due to higher demand as bereaved people have experienced bereavements that have been significantly more traumatic during the pandemic.

Of the patients admitted to the Hospice, 35% were discharged to their usual place of residence such as their own home, care home or to the care of a relative, and 81% of patients died within their preferred place of death. This compares with 77% in the previous year, and 74% two years ago, indicating an encouraging trend of patients dying in the place of their choice.

This year our bed occupancy decreased to 57% compared to 67% in the previous year. This is due to a slight reduction in the average length of stay (from 15.3 days to 14.4), a reflection of the re-orientation towards more care being delivered within the community, the temporary closure of respite beds due to Covid-19, and the desire of some patients to remain within their homes as anxiety over Covid-19 grew during the peaks of the pandemic.

Our planned refurbishment of St Michael's Ward did not take place due to the uncertainties related to Covid-19, as well as the requirement to minimise footfall into the Hospice in order to fully comply with government safety guidelines. The work will be re-planned once restrictions have eased.

Service user feedback is essential in our quality improvement journey as it is vital to be able to monitor what we do well and what we might need to do differently or better. We also refer to our User Group – an independent group drawn from our service users or carers of service users – as a sounding board for both patient and organisational ideas. The CEO, SMT and senior members of our workforce regularly participate in their weekly User Group meetings to share and discuss new initiatives and to obtain feedback on our service provision. Their contribution to our quality improvement strategy is invaluable. Feedback from patients and their families from the independent 'I

Want Great Care' survey continues to provide us with a benchmark target, and with a consistent maximum average rating of 5 out of 5 we continue to be both proud and humbled by the feedback we receive.

Below is a selection of I Want Great Care comments about our services from patients and their families this year:

Counselling

29th January 2021

B was fantastic. She travelled to my home for our counselling sessions. It has been a tough couple of years but her help has enabled me to cope with my mum's passing and deal with anticipatory grief. B, thank you for helping me to make the most of my time left with my and for helping me to cope.

Children's Counselling

5th June 2020

What was good? She has enjoyed her sessions with C and likes her very much. She felt supported and trusted by C to give her the time and space she needed. C and the team also provided her with art materials that she (and I) very much appreciated. We are both very grateful to C, J and the St. Joseph's team. I cannot think of anything that could be improved.

Social Work

27th September 2020

The support from K in helping me with my finances has been amazing.

Lourdes Ward

27th February 2021

All my needs were met. The staff showed compassion and sympathy when I became teary and emotional.

St Michael's Ward

27th September 2020

The care was extremely excellent, and I could not have wanted a "better bunch" from a dozen other units. All the nurses had a special way about them, all helpful, charming, and waking up to a smiling face makes all the difference. Their passion and compassion are phenomenal.

Day Hospice

28th October 2020

Staff are very welcoming, warm and very accommodating. The staff really look after you and work with you while you are sick and help in every way. Very friendly and nice team, including transport staff very helpful and makes your stay very pleasant and happy. Thank you very much for all the support and help given to me.

Namaste

18th January 2021

Best support we have had – unrivalled; very supportive; great empathy with mum and family members. Very accessible, professional, warm. Great understanding, expert advice re dementia. In-depth care, great listener, great commitment. Real comfort and reassurance in time of great need and uncertainty. C is mum's new best friend. When she walks in, I can see there is a connection. Just being there watching her with mum, it's a learning curve. I can pass it on to other family members.

Community Nursing

12th September 2020

On the whole, the care received from St. Josephs, from reception staff to practitioner level, is entirely holistic, friendly and proactive. As a point of note regarding the Covid-19 situation, the phone consultations with service-users, as replacement for face-to-face, was very effective, patients reassured by this course of action, contact with professionals very much maintained.

Physiotherapy/Occupational Therapy

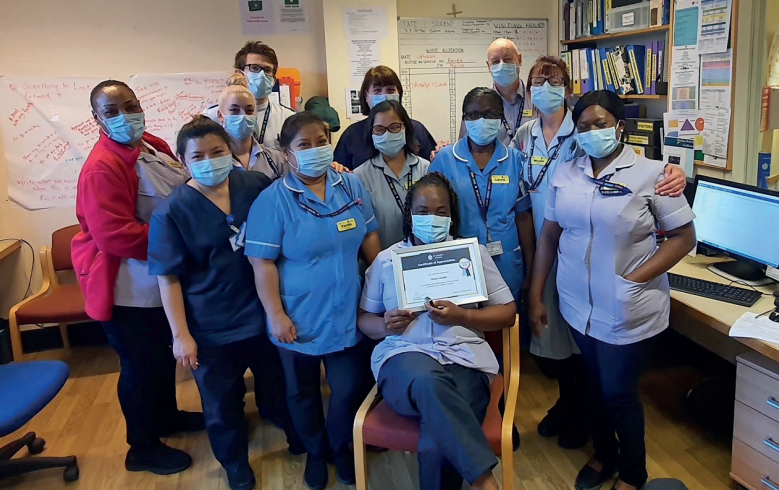
27th September 2020

I do not think anything can be improved. All staff are wonderful, could not wish for better, looking forward to seeing them all again in November on my next visit. Smiley face.

Complementary Therapy

29th July 2020

Thank you for your kindness and care.



Partnership working and collaboration

We fully recognise that we cannot meet the needs of all of our patients without other like-minded partner organisations.

In the last 12 months, we have continued to work closely with local NHS providers, Clinical Commissioning Groups (CCGs), STP, Marie Curie, Age UK East London, Macmillan Cancer Support and with many other voluntary sector care providers to deliver integrated services.

Human resources

Our HR department continues to drive forward its organisational development programme that exists to further improve our organisational and cultural strength. Projects that have been undertaken in the last twelve months have include the successful migration of our HR and Payroll MIS to a new system that underpins all our people, pay, training, education and development work. This provides staff and managers with better access to information that they have not previously had, enabling them to develop further in their roles.

Looking after the welfare of our staff is of paramount importance. St Joseph's Hospice is at the forefront of delivering care, training and support tailored to individual needs and we will continue to develop and share best practice.

The pandemic has had a major impact on the life of Hospice staff. In order to promote staff safety, three Covid-19 workstreams were set up to look at physical safety, psychological safety, and supporting those returning to work after a period of either self-isolation or remote working. We also undertook a staff survey to capture the various experiences of staff during the pandemic. In terms of practical steps, the workplace was made safe including establishing maximum room occupancy risk assessments, office partitioning, LFD and PCR

testing. We have also recognised the impact of the pandemic in giving staff a space and place to record their experiences of loss and bereavement.

Training, Education and Development

Education across the Hospice has continued to be developed, and we achieved ILM accreditation for our Managers Development Programme; unfortunately, its launch has been delayed by the pandemic. The Hospice maintains its high standard of compliance with statutory and mandatory training at 94%.

Staff engagement and voice

Our "one staff concept" recognises the value of employees and volunteers and the unique contribution of both groups to the life and work of the Hospice, recognising that motivated and engaged individuals are critical to the continued high standard of care experienced by our patients. Key to embedding this concept in the Hospice was ensuring that the staff team has uniform access to information and services throughout the Hospice.

Within the constraints of the pandemic, our induction programme has been extended to volunteers so that our paid and unpaid staff team are afforded the same opportunities to learn about the organisation. We are improving skills and development opportunities for our volunteers to attract more people, and are working collaboratively in community outreach with other projects at the Hospice, promoting our Compassionate Communities model.

Positive, proactive and consistent workforce engagement continues to be a high priority, and we are proud to celebrate long service from staff and volunteers, some who have worked at St Joseph's for more than 40 years.

Our staff engagement is delivered through weekly SMT briefings, regular CEO updates, CEO Clinics and Bulletins, SMT surgeries, and news distributed

through our intranet and email systems to the whole workforce. This strategy has been further extended to our commercial tenants in order to more fully engage them in Hospice activities and news.

Throughout the year, we have been implementing the findings from the previous year's staff survey with a view to enhancing the employee experience. The success of the resulting action plan will enable the staff experience to be measured in future pieces of research.

We are in the third year of our very popular "staff love" programme where we celebrate specific special events in the calendar with our workforce such as St Valentine's Day, Easter and Christmas, as well as the presentation of long service awards on and around St Joseph's Day.

We have continued to provide opportunities for reflective practice via the well-attended Schwartz Rounds when social distancing guidelines allowed, and our Values and Behaviours Framework – led by the Mission team and co-created with the workforce – lay out St Joseph's guiding principles.

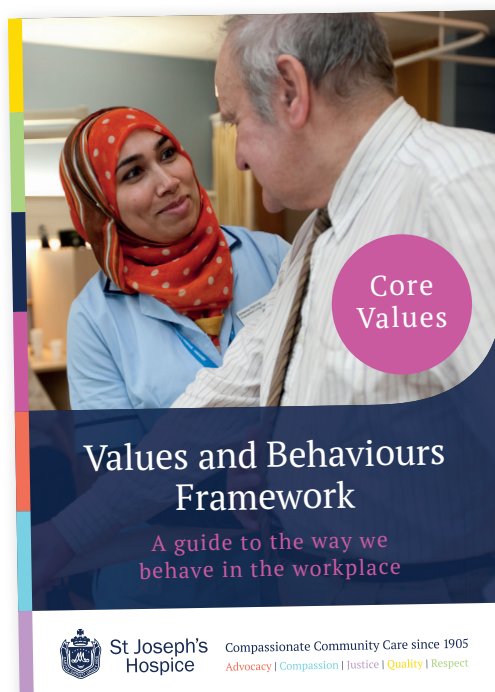
Equality, Diversity and Inclusion

2020/21 saw the introduction of a reconstituted Equality, Diversity and Inclusion Committee which was led by the trustees. Work quickly commenced on establishing a fresh and innovative strategy and work plan to ensure that the Hospice remains a sector leader in Equality, Diversity and Inclusion within the workplace.

We continue to support our membership of the London Hospices LGBTQ Network, and we regularly contribute where appropriate as we seek to reinforce our position as an inclusive Hospice. Other highlights include launching a policy on domestic abuse, training a number of mental health first aiders, and the development of a wellbeing strategy.

Our drive to ensure that we are a dementia-friendly hospice continues, with all staff undergoing mandatory training to understand the needs of dementia patients. Our 'my name is' dementia-friendly name badges have been positively received by staff, patient-facing volunteer and patients.

Within the constraints of the pandemic, our induction programme has been extended to volunteers so that our paid and unpaid staff team are afforded the same opportunities to learn about the organisation.



Freedom to Speak Up

In the last twelve months, two Freedom to Speak Up Guardians were appointed and trained, and both have oversight on clinical and non-clinical concerns. They in turn trained seventeen champions from all areas of the staff team. The Guardians have been instrumental in establishing a national Hospice Freedom to Speak Up Guardian Network.

Enterprise

Our Enterprise strategy, developed as a pillar within Vision 2024, to establish more predictable, sustainable and fresh income streams for the Hospice – continues in meeting its ambitions. We are constantly try to plug the financial gap between our running costs and the income which we derive from our NHS block contract and fundraising opportunities.

With carefully planning of our space resource, we have been managed to repurpose unused parts of our site by refurbishing and converting them, then renting or leasing to organisations which are aligned with our overall Ethos and Values.

A privately owned Nursery has doubled its footprint at the Hospice and now has two sites, the second of which is in Mare Street Wing – a previously unused building on the Hospice site that has been renovated as part of a wider estate review.

Demand for office space within the Hospice site is high and we are almost at full occupancy; the thirteen offices in St Patrick's Wing that we currently rent to local businesses remain fully occupied. We have let the first floor of Mare Street Wing to one organisation, and only one room remains on the second floor at the time of writing.

Toward the end of the 2020 financial year, we welcomed a Lymphoedema Service that re-located from elsewhere in the borough to St Joseph's on a five-year lease basis; we are already working collaboratively with this organisation in a number of areas. We also generate rental and hospitality income from our stunning education and conference facilities, as well as our Garden Room and Finding Space room, to community-based organisations, social enterprises and commercial businesses for meetings, events and workshops.

We worked collaboratively with any of our tenants who experienced financial difficulty due to the pandemic and despite modest rent refinancing initiatives, we still comfortably exceeded the targets we had set, and all licence and lease holders have renewed their contracts with us.

Our first pop up shop in Well Street provided the opportunity to test the potential for a retail presence within the area, and this subsequently led to the launch of our first permanent high street shop – the Five Sisters Shop – in Mare Street. Both shops have inevitably faced long periods of closure as a result of the pandemic, but both show promise in generating additional income for us due to their advantageous positions, and the high quality of the used goods which they sell. We continue to be extremely grateful to the local community for their support and generous donations.

We plan to further extend our retail portfolio, aiming to open at least two additional shops a year. Additionally, we are driving a migration towards online sales through the online shop on our new website.



Estates

Our focus continues to be to further strengthen site and Hospice resilience, underpinned by the comprehensive site audit that was conducted last year and which included a review of safety policies.

We have also continued to support the Enterprise strategy by redeveloping parts of the Hospice site for commercial purposes, most recently as outlined above the refurbishment of Mare Street Wing.

Energy, environment and sustainability

Our year-on-year comparison is valid as the Hospice continued to operate throughout the pandemic and represents real reductions in both gas and electricity.

The goal is to work towards a nationally recognised award in environmental sustainability, and have already taken a number of steps towards operating in a more sustainable way.

Our strategy is underpinned by a Sustainability Management plan, incorporating a site energy survey.

In last year's Annual Report, we highlighted that we planned to identify and address waste issues, and have since started to replace some of our aged boilers and laundry machines with significantly more energy efficient equipment.



We have recently completed the installation of 514 solar panels covering the east/west and south facing roofs of the Centenary Wing, Heenan House, Mare Street, St Patrick's Wing and the Chapel building. These panels will improve and add to our green credentials within the community, as well as reducing our carbon emissions. It will also generate year on year savings in utilities and energy costs.

A fundraising campaign fuelled the purchase of two electric cars for our Community Palliative Care Team, and we secured OLEV funding for the installation of two electric car-charging points, located in the Hospice car park.

	<i>Proportion of UK emissions</i>	<i>Kwh</i>	<i>Proportion of UK emissions</i>	<i>Kwh</i>	<i>% Change</i>
	2020/21		2019/20		
Direct Emissions					
Combustion of Gas	100%	2.37M	100%	2.47M	-4%
Indirect Emissions					
Purchase of Electricity	100%	0.97M	100%	1.12M	-13%

Funding and fundraising

Funding

We have exceeded year two of our three-year financial strategy targets due to effective expenditure management and a large legacy. Funds have been further boosted by additional new income generated through the Enterprise strategy, which exceeded plan.

We have continued to work closely with our Commissioners in order to maximise income for the Hospice, and have a wide-ranging engagement strategy to help plug the funding shortfall through funders, Enterprise and a robust fundraising programme.

From an operational perspective, the tighter financial management processes that we introduced last year – including more robust and earlier budgetary planning and monthly meetings with budget holders – ensure that we stay on track.

Fundraising

The Covid-19 pandemic had a major impact on our ability to fundraise with most of our events being postponed or cancelled, and our own retail shops were closed for much of the year. Some of our fundraising team were furloughed, and we held over vacancies at the height of the pandemic to save expenditure on staff costs. On a very positive note, we were entirely overwhelmed by the generosity of our local community who gave so generously to our appeals. They also fundraised at home, and we were also able to increase our online sales through eBay as the entire country migrated toward home shopping.

We worked very hard to keep our supporters engaged and up to date with how the pandemic was affecting the Hospice and had some positive responses from funders, corporates and high net worth individuals, securing three donations of more than £100,000 in the year.

Legacy income is always difficult to predict and presented a particular challenge this year, largely due to the delays in probate due to the pandemic. Our legacy income declined by over 50% for the year.

While it has been a challenging and sometimes frustrating year for Fundraising, we were able to use some of our time to re-develop and automate our platforms, and we still achieved some positive results:

Urgent Appeal

In April, our Urgent Appeal to supporters raised more than £100,000 in donations.

Great East End Walk

We asked supporters to “Do it Your Way” and over 100 people signed up to walk the Great East End Walk to fundraise for the Hospice, generating over £20,000.

JumpStart Campaign

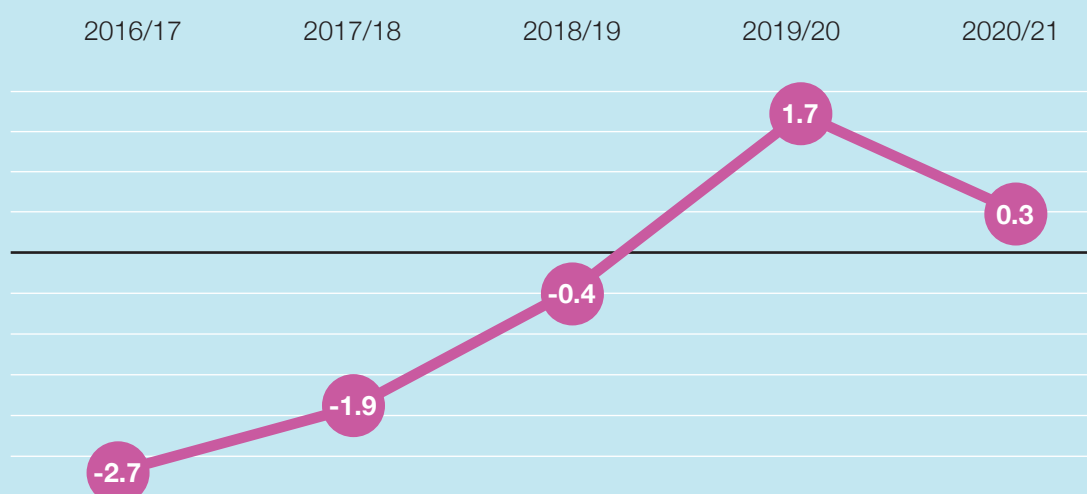
An appeal to replace the ageing Community Palliative Care Team’s vehicles raised almost £27,000 towards the purchase of two electric vehicles.

Light up a Life

A virtual event for the very first time, the live-streamed event took place with a handful of people on site, with staff, volunteers, supporters and friends of the Hospice invited to join us online. The event generated income of over £50,000.

As to the impact of the pandemic, St Joseph’s has weathered the storm better than we anticipated by successfully adapting our ways of working in response to evolving government guidelines and our agile responses to immediately problems. Where we have needed to change or in some cases halt some face-to-face clinical services, we have – where possible – continued to provide them, albeit in a different way. Our ICT Team has helped to facilitate much of this change, providing our teams with the tools to maintain contact with patients either by telephone or virtually. Our social media channels and new website were constantly updated to reflect any changes to our services. We are continuing to assess what the short – and long-term effects could be, but have not experienced a significant operational or financial impact, and continue to actively manage and mitigate risk through our robust risk strategy. Despite the current challenges, we believe that we are well placed following a successful 2020/21 financial year, and are moving forward with real confidence into 2021/22.

Operating Surplus / (deficit) £m



Financial Review

Our key financial target is to achieve at least a recurrently balanced operating position, so after an unprecedented year, we are delighted to report a £399k surplus (£1.7M – 19/20). After accounting for unrealised gains on our investments (£1.5M) the balance sheet improved by £1.9M. Annual operating performance is shown in the graph above.

Covid-19 dominated the financial year and was a big influence on our finances. At the outset of the pandemic the Hospice offered support to local CCG's through, for example, the provision of St Anne's Ward. The decision to continue operating as normally as possible came with considerable financial risk as nobody knew how the pandemic would pan out, but with the support of the CCG's, donors and staff, we were able to end the year with this healthy financial position.

Income of £14.5M (£15.1M – 19/20) exceeded budget by 2% but within this, there were some notable variances. We received an additional £1M of funding from CCG's for provision of the extra beds on St Anne's to assist in relieving the inherent pressure within the acute sector during the peaks of pandemic. We also received £725k of emergency Covid-19 funding from NHSE, via Hospice UK. This was targeted funding by the NHS to support Hospices during the pandemic.

The Hospice claimed £80k of funding from HMRC for business relief and through our very limited use of the furlough scheme.

Rental income also increased significantly despite the pandemic. We worked closely with our tenants and offered discretionary rent reductions and rental holidays to support them. Despite this, our rental income increased by 47% to £461k, with the addition of new tenants in new refurbished spaces and reflecting that this is a strategic growth area.

Like all charities, retail income suffered due to lockdown but unlike other hospices, our reliance on this source of income is limited so the impact was relatively low and a 50% reduction represents £50k in real terms.

Staffing costs remain the highest area of our annual expenditure, being 75% of total costs. Overall, our staffing costs rose by 4.5% to £10.5M (19/20 – £10.1M). £130k of the increase is accounted for through the decision to bring our Catering Services back in-house. One of the consequences of the pandemic was that staff were allowed to carry forward more leave and the extra cost of this has been factored into our results. The annual pay rise to keep pace with our local competitors for our staff has increased our staffing costs by £150k.

19/20 saw a reduction in our sub-contracts to £399k (19/20 – £734k) due to the cancellation

of our outsourced Catering contract. The levels of our other sub-contracts remained similar to previous years. Other expenditure also remained broadly similar as we continued to operate as close to normal as possible, with additional costs being incurred in relation to Covid-19 specific purchases, such as PPE, internal changes to facilitate social distancing and signage to indicate safe distances and safe areas.

Fixed Assets

During the year our capital expenditure was £322k (19/20 – £167k), including investment in IT and refurbishment of Estate. Our fixed asset fund, which reflects the net book value of all our fixed assets ended the year with a value of £16.65M (19/20 – £17.4M).

Investments

At the start of the year, we retained extra cash resources until the impact of the pandemic on our cash flows became clearer. During the year we were able to invest an extra £3.8M in CCLA investments whilst retaining sufficient cash balances to cover our normal operations. At the year-end, the value of our CCLA investments had grown by £5.3M to £11.9M due to the combination of the extra investment and a £1.5M increase in unrealised gains.

Our investments have also earned the Hospice £769k through dividend and rental income.

Working Capital

Working capital reflects our ability to pay current liabilities with current assets – indicating the liquidity of the Hospice.

Overall working capital reduced by 35% to £4.8M during the year, halving the current ratio from six to three (current assets are three times current liabilities). Early in the pandemic, we were conscious that a lot of charities were encountering income problems and we had little visibility on the immediate future, so we decided to hold a relatively high level of cash. Later in the year we invested £3.8M of cash in our investment portfolio and by year-end our cash balance had decreased by £2.2M to £4.5M.

Legacies account for 53% of our debtors with the remaining balance related in the main to monies due from CCG funders. These funds are paid monthly in arrears and continue to be received regularly. Our creditors increased by £1M which is

in part due to £0.5M of fundraising income being received in advance for future projects.

We are confident that the current ratio of three continues to ensure adequate liquidity now we are better placed to understand the impact of the pandemic.

Funds

Total funds increased by £1.9M to £39.3M. Of this total, nearly £22.5M is tied up in our estate as either fixed assets or investment property with a further £2.2M being restricted. The balance, whilst healthy, reflects the sustainability of the Hospice, especially in these uncertain times. We anticipate facing dual financial challenges – the impact of the pandemic will potentially be more profound over the next three years and the likelihood that the NHS will face greater financial funding constraints, and this may impact our statutory funding. The Trustees believe that our reserves level allows us to face these challenges optimistically and we are able to demonstrate our viability as a going concern.

Reserves policy and financial position

As of 31 March 2021, the general funds of £14.5m exclude tangible fixed assets, investment properties and restricted reserves and, therefore, are the free reserves available to the charity for use towards its charitable purposes.

Our trustees review the reserves policy each year and set financial plans accordingly. The general unrestricted funds at 31 March 2021 represent about twelve months' expenditure. The prevailing policy is ten months. The trustees will continue to review the level of reserves appropriate to the charity.

Investment policy

The Hospice had listed investments with a market value of £11.9m at 31 March 2021, together with investment properties with a market value at that date of £5.9m.

There are no restrictions on the Hospice's power to invest. The investment strategy is set by the Trustees and takes into account income requirements, the risk profile and, in the case of listed investments, the investment manager's views of the market prospects in the medium term. The overall investment policy for listed investments is to maximise total return through a diversified portfolio, aiming to provide the level of income agreed by the trustees and, at the same time, with



An appeal to replace the ageing Community Palliative Care Team's vehicles raised almost £27,000 towards the purchase of two electric vehicles.



a view to ensuring that capital appreciation of the fund exceeds inflation over any five-year period.

The Finance and General Purposes Committee regularly reviews the performance of the investments against agreed benchmarks and the Trustees are satisfied that their investment policy is being achieved. However, due to stock market volatility, including the impact of Covid-19, it is difficult to rely upon capital growth of investments with any certainty, in the short to medium term. This reinforces the appropriateness of the reserves policy selected by the trustees.

Key management personnel

The trustees consider that they, together with the Senior Management Team, comprise the key management personnel in charge of directing, controlling, running and operating the charity on a day-to-day basis.

Salaries for the Senior Management Team are set having regard to national pay agreements, considering the seniority and experience required by each post.

All Trustees give their time freely and no trustees were remunerated during the year (2020-2021: no remuneration). Details of Trustee expenses are disclosed in note 8.

Risk management

We have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The Covid-19 pandemic will bring some uncertainties to our financial position moving forward, and we have had to make changes to our operations and clinical services across the organisation. The key risks identified include the following:

Clinical risks to patients under our care, either as inpatients or in their usual place of residence. These risks are mitigated by the use of appropriately qualified and trained clinical and care services staff; having appropriate equipment which reduces risk, such as automated equipment to prevent human error; having robust policies and procedures in place; and our incident reporting system which includes reporting near misses so that future incidents can be prevented.

COVID-19

From a Covid-19 perspective, risk mitigation has centred on limiting the introduction of the virus to the Hospice, including the management of patients admitted with potential infection, the infection or potential infection of staff, and staff shortages due to isolation procedures. Robust controls have been introduced to significantly reduce footfall, as well as changes to patient visiting in line with government guidelines. At the same time, this has meant not permitting any commercial visitors or volunteers. The use of technology such as video calls has been helpful.

Our community team continued to operate normally by seeing patients in their own homes, however to minimise the risk of infection we used video contact where appropriate during periods of lockdown.

Securing adequate PPE has been challenging across the healthcare sector, but St Joseph's has been able to procure sufficient supplies through a number of means such as active campaigning through the media, the support of the local community, through some NHS commercial channels and via Hospice UK.

Our control of the environment and our clinical practice and cleanliness of the Hospice has meant that in the financial year and since we have had no cases of Covid-19 transfer between patients in our care and none between staff patients and staff or staff to staff

Financial stability and sustainability

This risk is mitigated by a robust three-year financial plan which includes developing ongoing relationships with our NHS Commissioners so that our services are responsive to their changing needs; diversifying funding streams so that we are less reliant on NHS income, for example by seeking funding from trusts, foundations and local authorities where relevant; and strengthening our fundraising team to increase general fundraising income and continue legacies marketing.

The Enterprise strategic pillar has been successful in generating a sustained revenue stream through improved space utilisation and modest levels of investment. Despite the challenges faced by some of our small business renters requiring short-term rent reductions, this has not had a significant impact on our Enterprise income.

Our community team continued to operate normally by seeing patients in their own homes, however to minimise the risk of infection we used video contact where appropriate during periods of lockdown.



Our restaurant has remained closed in line with Covid-19 restrictions imposed by the Government strategy, but we have continued to develop the Five Sisters Café food and drink offering to ensure no loss of amenity to staff as a consequence of the pandemic. Staff surveys indicate that the new Café and improved amenities provide a popular service for staff, and visitors and it is generating a reasonable income with a healthy margin.

Hospice operations

Many of our operational staff have continued to work remotely, in line with government guidelines to stay at home. Homeworking has been facilitated by the ICT department, who have more than doubled our remote working capacity. In order to minimise exposure to the virus on public transport and to ensure that key workers were still able to safely travel to work, an agreement was negotiated with Hackney Council whereby staff have been able to drive and park in residential zones in the local area. More than 80 staff have taken advantage of this agreement to-date, and this has helped to limit staff absence levels.

Major incident at the Hospice site – Risk Management

This risk is mitigated by our fire and other incident policies and procedures. We are strengthening our plans into a full disaster recovery plan.

We believe that by examining the operational and business risks faced by the charity in delivering care services, and by monitoring reserve levels and ensuring controls exist over key financial systems, we have established effective systems to mitigate those risks. We keep a detailed risk register, which is reviewed not less than quarterly by the SMT and fully reviewed at least annually by the Finance and General Purposes Committee, with the help of the Clinical Governance Committee.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future services. In particular, the Trustees consider carefully how planned activities will contribute to the aims and objectives they have set, and deliver public benefit.

Fundraising

The Hospice aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to share a factual, accurate and inspirational picture of the Hospice and its activities, inviting constituents to donate with confidence and clarity as to how their donations will be used. The Hospice is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. St Joseph's Hospice never pressurises its supporters, nor implies preferential treatment to those who donate.

As noted above, it applies best practice to protect supporters' data and never sells, or swaps data, and ensures that supporters' and donors' communication preferences can be changed at any time. The Hospice manages its own fundraising activities, and does not employ the services of Professional Fundraisers. The Hospice undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them to improve its service. During the year ended 31 March 2021, the Hospice received no complaints about its fundraising activities (2020 – none).

Employees

The Hospice strives to be an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

The Hospice aims to attract and retain high quality staff. When determining salary rates the Hospice always has regard to national pay agreements and considers the seniority and experience demanded by each post.



Voluntary support

The Trustees give sincere thanks for the significant contribution that volunteers make to St Joseph's Hospice. During the year, more than 600 volunteers gave their time with enthusiasm and generosity and we are indebted to them for all they do. Our volunteers completed more than 52,000 hours of volunteering across the year, which is a phenomenal contribution and is increasing significantly each year. We have been building upon our Investing in Volunteers accreditation, ensuring our training and induction programmes are robust and give our volunteers the best experience with us, as well as ensuring that our volunteers are supported well in their roles.

Two thirds of volunteers have some kind of direct patient contact in their voluntary role. We have embedded our award winning Compassionate Neighbours programme into our ward-befriending role to ensure that our patients are receiving the highest quality support. This has enabled our neighbours to feel more supported when volunteering on the wards and for us to support more people. The opening of our new retail sites has significantly increased our need to recruit more volunteers, and will be developing new partnerships in the coming year to support us to that end.



The Trustees give sincere thanks for the significant contribution that volunteers make to St Joseph's Hospice.



Governance, structure and management

Constitution

St Joseph's Hospice, Hackney, a charity registered under the Charities Act 2011, is constituted as a company limited by guarantee and is governed by its Memorandum and Articles of Association.

Liability of the members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up during the period of membership, or within the year following, company members are required to contribute an amount not exceeding £1.

Structure

The charity has staff based at three locations: the majority at St Joseph's Hospice in Mare Street, Hackney; and two community outreach locations in Newham: at East Ham Care Centre and Richard House Children's Hospice. Services are also delivered in patients' own homes. The charity is governed by its trustees (the Board) which meets regularly throughout the year to determine strategic vision and direction. The trustees appoint a Chief Executive who is responsible for the day-to-day running of St Joseph's Hospice and to inform and implement Board decisions.

The Registered Manager is the Director of Care and the CEO is the Responsible Individual for Care Quality Commission registration purposes.

Trustees

The Trustees listed on page 1 were in office at the date on which this annual report was approved. The Trustees who served on the Board throughout the year to 31 March 2021 and up to the date on which this report was approved are shown below.

Directors	Appointed/resigned
Mr Paddy McGuinness CMG, OBE, MA (Chair)	
Prof Francis Campbell BA MA PhD (honoris causa) DUniv (Vice-Chair)	Resigned 19 May 2020
Sister Rita Dawson MBE DL RSC MSc BSc (Hons) RGN RSCN	
Margaret Doherty BA (Hons), DEBA, MCIPR	
Sister Jacqueline Doherty RSC	
Mr Edward B McGuigan BA FFA FIPA	
Prof Jim McManus, BD (Hons) OCDS CPsychol CSci FBPSS FFPH FRSB Chartered FCIPD	
Dr Una Molloy RGN, RM, BNS (Hons), MSc Nursing, PhD	
Dr Michael Moran PhD MMedSci MBBChBAO BSc (Hons) MRCS DO-HNS	
Mr Peter Pledger	

The election of Trustees

The Trustees are elected at the Annual General Meeting of the charity by the members. Trustees are normally elected for an initial term of three years and, if reappointed, may serve for a second term of three years. In exceptional circumstances, the members may reappoint a trustee for a third term of three years. The maximum length of service is therefore nine years. The trustees, with the consent of the Provincial Superior of the Sisters of Charity, also have the power to co-opt people during the year to help deal with specific matters.

The Trustees are recruited and selected for their specific skills and experience, which currently cover law, finance, fundraising, business, clinical, nursing and healthcare.



Policies and procedures relating to trustees' training and induction

All Trustees receive induction on joining the Board so that they are equipped to carry out their role, as well as signing a statement of their willingness to serve as a trustee and completing a declaration of interests' statement. Additionally, new Board members receive direct support from the Chair of the Board and the Chief Executive. In order to keep Board members informed about the charity's on-going work, the Board receives reports from senior staff members as required. In addition, members of the Board meet from time to time more informally with the management team and other staff to work on specific areas of development.

Statement of Trustees' responsibilities

The Trustees (who are also directors of St Joseph's Hospice, Hackney, for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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 United Kingdom and the Republic of Ireland (FRS 102).
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

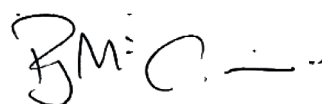
Each of the trustees confirms that:

so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and

the Trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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

Signed on behalf of the Trustees:



Trustee

Date of approval: 30 November 2021

Independent auditor's report to the members of St Joseph's Hospice, Hackney

Opinion

We have audited the financial statements of St Joseph's Hospice, Hackney (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We

believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.

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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or
- 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 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 the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussions with key management and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Companies Act 2006, the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102), those that relate to fundraising and are overseen by the Fundraising Regulator, those that relate to data protection (General Data Protection Regulation) and specific care legislation relating to vulnerable individuals (Care Standards Act 2000); and
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and representatives of those charged with governance.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management and representatives of those charged with governance as to where they considered there

was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Performed substantive testing on expenditure including the authorisation thereof;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

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

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of Trustees' meetings; and
- Enquiring of management and representatives of those charged with governance as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of key management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.




Amanda Francis, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory
Auditor
130 Wood Street
London
EC2V 6DL

December 2021

Financial Statements

Statement of financial activities Year to 31 March 2021

	Notes	Un-restricted funds £'000	Restricted funds £'000	2021 Total funds £'000	Un-restricted funds £'000	Restricted funds £'000	2020 Total funds £'000
Income and Expenditure							
Income From:							
Donations and legacies	1	2,762	159	2,921	5,057	87	5,144
Other trading activities:				–			
– Fundraising events		47	–	47	97	–	97
Investments and bank deposits	2	733	36	769	534	27	561
Charitable activities	3	9,784	1,023	10,807	8,898	349	9,247
Other income – Miscellaneous		6	1	7	25	4	29
Total income		13,332	1,219	14,551	14,611	467	15,078
Expenditure on:							
Raising funds	4	758	–	758	817	–	817
Charitable activities				–			
– Hospice inpatient care	5	8,591	701	9,292	8,563	77	8,640
– Hospice outpatient and day services	5	986	8	994	791	7	798
– Community palliative care services	5	1,708	291	1,999	1,926	209	2,135
– Psychosocial and bereavement services	5	749	30	779	640	–	640
– Education, training and research	5	268	–	268	253	32	286
– Patient café and dining room	5	24	–	24	42	–	42
Other Costs		38	–	38	20	–	20
Total expenditure		13,122	1,030	14,152	13,052	326	13,378

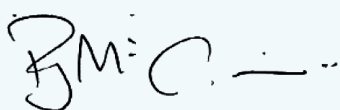
	Notes	Un-restricted funds £'000	Restricted funds £'000	2021 Total funds £'000	Un-restricted funds £'000	Restricted funds £'000	2020 Total funds £'000
Net Income before Investment gains and transfers		210	189	389	1,559	141	1,700
Net gains / (Losses) on investments	11	1,317	178	1,495	1,557	(26)	1,531
Net income before transfers		1,527	367	1,894	3,116	115	3,231
Transfers between funds	14	69	(69)	-	62	(62)	-
Net income and net movement in funds	7	1,596	296	1,894	3,178	53	3,231
Reconciliation of funds							
Balances brought forward at 1 April 2020		35,456	1,912	37,368	32,278	1,859	34,137
Balances carried forward at 31 March 2021		37,052	2,210	39,262	35,456	1,912	37,368

All of the charity's activities derived from continuing operations during the above two years. All recognised gains and losses are included in the above statement of financial activities.

Balance sheet

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible assets	10		16,652		17,400
Investments	11		17,813		12,541
			34,465		29,941
Current assets					
Stocks		33		24	
Debtors	12	2,665		2,063	
Short term deposits		4,470		6,709	
Cash at bank and in hand		31		37	
		7,199		8,833	
Creditors: amounts falling due within one year	13	(2,402)		(1,406)	
Net current assets			4,797		7,427
Total net assets			39,262		37,368
The funds of the charity:					
Income funds					
Restricted funds	14		2,210		1,912
Unrestricted funds					
. General funds		14,530		12,186	
. Tangible fixed assets fund	15	16,652		17,400	
. Investment property fund		5,870		5,870	
			37,052		35,456
			39,262		37,368

Approved by the trustees and signed on their behalf by:



Trustee

Date of approval: 30 November 2021

St Joseph's Hospice, Hackney: Company Registration No. 05513914 (England and Wales)

Statement of cash flows

Year to 31 March 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	1,085	2,090
Cash flows from investing activities:			
Investment income and interest received		769	561
Purchase of tangible fixed assets		(322)	(168)
Acquisition of Investments		(3,777)	-
Proceeds from the disposal of investments		-	122
Net cash (used in) provided by investing activities		(3,330)	515
Change in cash and cash equivalents in the year		(2,245)	2,605
Cash and cash equivalents at 1 April 2020	B	6,746	4,141
Cash and cash equivalents at 31 March 2021	B	4,501	6,746

Notes to the statement of cash flows for the year to 31 March 2021.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 £'000	2020 £'000
Net movement in funds (as per the statement of financial activities)	1,894	3,231
Adjustments for:		
Depreciation charge	743	744
Loss on disposal	327	-
Gains on investments	(1,495)	(1,531)
Investment income and interest receivable	(769)	(561)
Decrease in stocks	(9)	(2)
(Increase) / decrease in debtors	(602)	215
Increase / (decrease) in creditors	996	(6)
Net cash provided by operating activities	1,085	2,090

B Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	31	37
Short term deposits	4,470	6,709
Total cash and cash equivalents	4,501	6,746

No separate reconciliation of net debt has been prepared as there is no difference between the movements in cash and cash equivalents and the net cash (debt) of the charity.



Principal accounting policies

The principal accounting policies adopted, judgements used and key sources of estimation and uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2021 with comparative information presented for the year to 31 March 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- estimating the value of disposals related to the restaurant refurbishment
- estimating the open market value of investment properties;
- allocating support costs across charitable activities;
- estimating the value of legacies to be recognised in accordance with FRS 102; and
- estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The restrictions due to the Covid-19 pandemic have lasted much longer than initially expected and had a significant impact on the hospice's finances. The protracted nature of these restrictions means that there is still uncertainty as to when exactly when things will return to 'normal' or how the pandemic may change things.

The hospice's commitment to supporting the NHS Covid-19 response was demonstrated through its agreement to offer St Anne's Ward throughout 20/21, for which it was financially recompensed. The NHS also made emergency funding available to all hospices and the hospice accessed about £725k.

This NHS support and the hospice's relationship with Clinical Commissioning Groups means that it remains well positioned relative to other hospices. The reliance on retail is low and prior to the pandemic it had already focused on growing enterprise. During the pandemic it was agreed to give rent reductions and holidays to our tenants and the hospice has worked closely with them to ensure they are able to continue occupying the hospice's premises.

The trustees acknowledge supporters for continuing to donate to the hospice, enabling it to continue to carry out its work. The fact that the hospice continued to operate throughout the pandemic, with very limited furlough, demonstrates its commitment to the community it serves. There were clear risks with continuing to operate at the same expenditure level, but so far those risks have been managed effectively.

The timing of the pandemic (at the end of the 2019/20 financial year) meant the hospice reported a significant downturn in the value of its listed investments at 31 March 2020. However, these recovered in 20/21 and showed an unrealised gain at the end of the year of £1.5M.

As the restrictions further unwind during the first half of 21/22, the trustees expect inpatient activity to increase and the hospice will continue to work

with CCG's and other stakeholders planning for the future. The trustees are optimistic that the charity continues as a going concern, with the level of assets required to meet its liabilities into the long-term, supported by future plans to diversify operations whilst continuing to demonstrate value for money for the NHS.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, legacies, income from fundraising events, income from investments and bank interest, and contracts, service level agreements and grants income for the provision of healthcare and related services.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity. Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies

have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Investment income from listed investments is recognised once the dividend has been declared and notification has been received of the dividend due.

Investment income generated from investment properties is recognised at the point when the income is due to the charity under tenancy or lease agreements.

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

Contracts and service agreements in respect to the provision of healthcare services are recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be reliably measured. It is measured at fair value of the consideration received or receivable, excluding any relevant value added tax. Grants from government, NHS bodies, Clinical Commissioning Groups and from trusts and foundations have been included as income from charitable activities i.e. the provision of healthcare and related services where they amount to a contract for services but as donations where the money is given in response to an appeal or grant application or with greater freedom of use, e.g. for core purposes.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support

costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, investment property expenses, staff costs associated with fundraising, and an allocation of support costs.
- expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities i.e. the provision of healthcare and related services in respect to the care of persons suffering from terminal cancer and other palliative or chronic illnesses.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on the number of full time equivalent staff allocated to each of the charitable activities.

Tangible fixed assets

All assets costing more than £750 and with an expected useful life exceeding one year are capitalised.

Freehold land and buildings

Freehold land and buildings transferred to the charity on 1 April 2012 are included on the balance sheet at a valuation as at that date based on depreciated replacement cost. As permitted by FRS 102, this valuation is now assumed to be the deemed cost of these assets. Additions to freehold buildings since 1 April 2012 are included on the balance sheet at cost.

Freehold buildings are depreciated at a rate of 2% per annum based on cost or deemed cost. No depreciation is charged on freehold land.

Major building refurbishment

Major building refurbishment since 1 April 2012 is included on the balance sheet at cost.

Major building refurbishment, once completed, is depreciated at a rate of 10% per annum based on cost. Major building refurbishment that is in progress is capitalised but only depreciated in accordance with the above policy once complete.

Furniture, plant and equipment

Furniture, plant and equipment transferred to the charity on 1 April 2012 is included on the balance sheet at a valuation as at that date based on depreciated replacement cost. As permitted by FRS 102, this valuation is now assumed to be the deemed cost of these assets.

Expenditure since 1 April 2012 on the purchase and replacement of furniture, plant and equipment (including computer equipment (hardware and software)) is capitalised at cost.

Furniture and equipment is depreciated over a four-year period on a straight line basis. Plant is depreciated over 20 years on a straight line basis.

Motor vehicles

Motor vehicles transferred to the charity on 1 April 2012 are included on the balance sheet at a valuation as at that date based on depreciated replacement cost. Motor vehicles purchased since 1 April 2012 are capitalised at cost. As permitted by FRS 102, this valuation is now assumed to be the deemed cost of these assets. Motor vehicles are depreciated over a four-year period on a straight line basis in order to write off the cost of each motor vehicle over its estimated useful life.

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

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

Properties held for investment purposes are included in these accounts at open market value. The valuations have been determined by the trustees, with professional assistance.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Stocks

Stocks of medical supplies, stationery and sundry stores are valued at the lower of cost and net realisable value.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Short term deposits relate to cash held in deposit accounts for medium term use or future reinvestment, but which are available on demand or have a maturity less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

The tangible fixed assets fund represents the net book value of the land and buildings occupied by the charity and other tangible fixed assets. Such assets are vital to the charity being able to carry out its charitable work and the value invested in the assets cannot, therefore, be realised in order to meet future expenditure or contingencies. To emphasise this point, the net book value of the assets is represented by a specific tangible fixed assets fund on the balance sheet.

The investment property fund represents the value of the buildings utilised by the charity to generate a commercial return. Such assets cannot be realised easily in order to meet future expenditure or contingencies. To emphasise this point, the value attributed to these assets is represented by a specific investment property fund on the balance sheet.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

Pension costs

Pension costs are payable in respect of defined contribution and defined benefit pension schemes. The charity is unable to identify its share of the underlying assets and liabilities of the defined benefit schemes on a reasonable and consistent basis. Therefore, in accordance with FRS 102, it has accounted for its normal contributions as if the schemes were defined contribution schemes.

Normal contributions are charged to the statement of financial activities when payable. The present value of the expected deficit recovery contributions is recognised as a liability at the balance sheet date. The amount is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability.

Contributions in respect of personal pension schemes and defined contribution schemes are recognised in the statement of financial activities in the year which they are payable to the scheme.

Leased assets

Rentals applicable to operating leases where substantially all the benefits and risk of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

Notes to the financial statements

1 Income from: Donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Donations	1,335	159	1,494	1,171	87	1,258
Donations of cremation fees received	12	—	12	14	—	14
	1,347	159	1,506	1,185	87	1,272
Legacies	1,415	—	1,415	3,872	—	3,872
Total funds	2,762	159	2,921	5,057	87	5,144

We are grateful to all the individuals, trusts and companies who have supported our work this year.

2 Income from: Investments and bank deposits

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Income from listed investments						
- UK common investment funds	268	36	304	200	27	227
Rental income from investment properties	461	—	461	312	—	312
Bank interest	4	—	4	22	—	22
Total funds	733	36	769	534	27	561

3 Income from: Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Statutory grants and service agreements						
- Clinical Commissioning Groups	9,440	787	10,227	8,576	—	8,576
Grants receivable – Big Lottery	—	133	133	—	138	138
Other grants and service level agreements	78	101	179	28	208	236
Fees for education services and room hire	114	—	114	164	—	164
Residences and other rental income	84	—	84	31	—	31
Income from provision of catering, telephone, newspapers and books	68	2	70	99	3	102
Total funds	9,784	1,023	10,807	8,898	349	9,247

Disclosure Note:

Following year end the Hospice received £534k of Covid-19 emergency grant funding from Hospice UK. This funding has not been recognised in these financial statements as the income recognition criteria were not deemed to have been met as at the reporting date.

Insufficient information was made available to the Hospice to confirm that it was entitled to further funds or enable a reliable estimate to be made of the probable value of receipt in advance of the date that they were received. The Trustees are satisfied that all reasonable endeavours were made by management prior and subsequent to the reporting date to determine the value of any further funds to be received by the Hospice and the likely timing of these funds.

4 Expenditure on: Raising funds

	Direct costs £'000	Support costs (note 6) £'000	Total 2021 £'000	Direct costs £'000	Support costs (note 6) £'000	Total 2020 £'000
Staff costs	396	—	396	433	—	433
Other direct costs	187	—	187	228	—	228
Support costs	—	175	175	—	156	156
Total funds	583	175	758	661	156	817

5 Expenditure on: Charitable activities

	Direct costs £'000	Support costs (note 6) £'000	Total 2021 £'000	Direct costs £'000	Support costs (note 6) £'000	Total 2020 £'000
Hospice inpatient care	6,764	2,528	9,292	6,572	2,068	8,640
Hospice outpatient and day services	685	309	994	583	215	798
Community palliative care services	1,493	506	1,999	1,647	488	2,135
Psychosocial and bereavement services	559	220	779	488	152	640
Education, training and research	215	53	268	233	53	286
Patient café and dining room	24	—	24	42	—	42
Total funds	9,740	3,616	13,356	9,565	2,976	12,541

6 Support costs

	2021 £'000	2020 £'000
Staff costs	1,460	1,332
Recruitment and training	53	50
Services contracted out	16	42
Consumables	66	22
Maintenance and running costs	572	463
Depreciation	743	743
Loss on disposal of tangible fixed assets	327	—
Office expenses	535	462
Auditor's remuneration	19	18
	3,791	3,132

The allocation of support costs to raising funds and charitable activities based on the full-time equivalent staff allocated to each charitable activity.

7 Net income (expenditure) and net movement in funds

This is stated after charging:	2021 £'000	2020 £'000
Staff costs (note 8)	10,539	10,084
Auditor's remuneration		
- Current year audit fee	17	18
- Prior year audit fee	—	4
- Other services: taxation compliance	2	—
Depreciation	743	743
Loss on disposal of tangible fixed assets	327	—
Operating lease rentals	22	9

8 Staff costs and trustees' remuneration

	2021 £'000	2020 £'000
Staff costs during the year were as follows:		
Wages and salaries	8,533	8,109
Social security costs	846	812
Pension costs	517	502
	9,896	9,423
Seconded and agency staff	643	661
	10,539	10,084

The number of employees who earned £60,000 per annum or more (including benefits but excluding employer pension contributions) during the year was as follows:

	2021	2020
£60,001 - £70,000	7	5
£70,001 - £80,000	2	1
£80,001 - £90,000	—	1
£90,001 - £100,000	1	—
£110,001 - £120,000	1	1

Of those employees who earned £60,000 or more during the year (as defined above), employer contributions are made to money purchase schemes in respect of six employees (2020 – five employees), and to defined benefit schemes in respect of four employees (2020 – three employees). Total employer contributions to pension schemes in respect of such employees during the year amounted to £75,209 (2020 – £56,365).

When determining salary rates for clinical staff, the Hospice always makes reference to national pay agreements and considers the seniority and experience demanded by each post.

Key management personnel remuneration during the year totalled £511,441 (2020 – £595,092).

No trustees received any remuneration during the year (2020 – £nil) and no expenses were reimbursed to trustees (2020 – none).

The average number of employees during the year, analysed per function, was as follows:

	2021 Full time equivalent	2020 Full time equivalent	2021 Average headcount	2020 Average headcount
Raising funds	9	9	10	10
Hospice inpatient care	143	145	179	174
Hospice outpatient and day services	9	7	12	10
Community palliative care services	15	16	16	17
Psychosocial and bereavement services	11	10	23	20
Education and training	3	3	4	5
Catering	5	–	8	–
Support and administration	22	23	23	25
	217	213	274	261

9 Taxation

St Joseph's Hospice, Hackney is a registered charity and is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

10 Tangible fixed assets

	Freehold land and buildings £'000	Major building refurbishment £'000	Furniture, plant, equipment and motor vehicles £'000	Total £'000
At cost or deemed cost				
At 1 April 2020	16,039	3,189	2,229	21,457
Additions	–	22	300	322
Disposals	–	(593)	–	(593)
At 31 March 2021	16,039	2,618	2,529	21,186
Depreciation				
At 1 April 2020	1,846	1,088	1,123	4,057
Charge for the year	231	309	203	743
Disposals	–	(266)	–	(266)
At 31 March 2021	2,077	1,131	1,326	4,534
Net book values				
At 31 March 2021	13,962	1,487	1,203	16,652
At 31 March 2020	14,193	2,101	1,106	17,400

The Hospice's freehold land and buildings held at 1 April 2012 were valued on a depreciated replacement cost basis by an external valuer, Gerald Eve LLP, following the transfer of assets and liabilities from The Religious Sisters of Charity Charitable Trust as at that date. The valuation was carried out in accordance with the valuation standards and guidance notes contained in the Valuation – Professional Standards, incorporating the International Valuation Standards ("the Standards") of the Royal Institution of Chartered Surveyors (RICS) March 2012. Other tangible fixed assets transferred at that date are included at their net book value at the date of transfer i.e. 1 April 2012. As permitted by FRS 102, all valuations at 1 April 2012 are now assumed to be the deemed cost of the relevant assets. Additions to tangible fixed assets since 1 April 2012 are included at cost.

The Hospice restaurant was closed due to the pandemic; a closure that has become permanent. The residual net book value of £327k associated with the restaurant and its equipment has been written off.

Capital commitments

At 31 March 2021, the charity had £70K of capital commitments in relation to Solar Panel installation (2020 – none).

11 Investments

	Investment property £'000	Listed investments £'000	Total £'000
Market value at 1 April 2020	5,870	6,671	12,541
Acquisitions	–	3,777	3,777
Unrealised gains on revaluation	–	1,495	1,495
Market value at 31 March 2021	5,870	11,943	17,813
Cost of investments at 31 March 2021	1,599	8,292	9,891

Investment property comprises of:

- A commercial office building close by to the main Hospice site in Mare Street. This is let on a ten-year lease to a third party. The property was revalued by the trustees at 31 March 2017 using a method based on rental yields. There has been no change in rental yield, and hence valuation, since that date.
- Elements of the Hospice's estate, which have been converted to generate commercial income. In 2018/19, office space in St Patrick's Wing and part of the ground floor of the Centenary Wing were rented out for the first time. During the year another part of the ground floor of the Centenary Wing was rented out. Refurbishment of the Mare Street Wing during 19/20 meant this was the first full year of space rental in this area. These parts of the estate are revalued using a method based on rental yields. The valuations were carried out as at 31 March 2020 by property professionals using an informal desktop approach after carrying out an inspection of the relevant properties. The valuations were not prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards, incorporating the International Valuation Standards (IVS) 2017 (The Red Book). However, regard to the reporting standards was had in order to reflect best practice. The trustees have considered whether there has been any change in value since the last professional valuation and have concluded that there has been no material movement in value since that date.

11 Investments (continued)

Listed investments held at 31 March 2021 comprised the following:

	2021 £'000	2020 £'000
UK common investment funds	11,943	6,671

At 31 March 2021, the charity's investments comprised holdings in CCLA COIF Charities Investment Fund only.

12 Debtors

	2021 £'000	2020 £'000
Revenue grants and fees receivable	776	168
Legacies receivable	1,405	1,528
Investment income and interest receivable	141	56
VAT recoverable	159	108
Prepayments	93	112
Other debtors	91	91
	2,665	2,063

13 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Expense creditors	823	509
Social security and other taxes	223	227
Accruals	660	430
Deferred income	615	118
Other creditors	81	122
	2,402	1,406

Deferred income consists of grants and contractual income received in advance.

	2021 £'000
Balance as at 1 April 2020	118
Income deferred in the year	578
Income released in the year	(81)
Balance as at 31 March 2021	615

14 Restricted funds

The income funds of the charity include restricted funds comprising the following donations and grants held on trusts to be applied for specific purposes:

	Mission fund £'000	Other restricted funds £'000	2021 £'000	Mission fund £'000	Other restricted funds £'000	2020 £'000
At 1 April 2020	1,584	328	1,912	1,607	252	1,859
Income	36	1,183	1,219	33	434	467
Expenditure	—	(1,030)	(1,030)	(7)	(319)	(326)
Gains on listed investments	178	—	178	(26)	—	(26)
Transfers	(23)	(46)	(69)	(23)	(39)	(62)
At 31 March 2021	1,775	435	2,210	1,584	328	1,912

The specific purposes for which the funds are to be applied are as follows:

Mission fund

This fund is to provide for resources to promote the mission statement and core values of Religious Sisters of Charity and St Joseph's Hospice. Transfers to unrestricted funds represent qualifying expenditure that was not charged to the fund when incurred.

Other restricted funds

These comprise monies provided to cover nursing and other specific costs. Transfers to unrestricted funds represent qualifying expenditure that was not charged to the relevant fund when incurred.

15 Tangible fixed assets fund

	2021 £'000	2020 £'000
At 1 April 2020	17,400	18,333
Capital Purchases	322	167
Depreciation Charge for year	(743)	(743)
Loss on disposals of assets	(327)	—
Reclassification to Investment Properties	—	(357)
At 31 March 2021	16,652	17,400

16 Investment property fund

	2021 £'000	2020 £'000
At 1 April 2020	5,870	3,886
Net movement in the year	—	1,984
At 31 March 2021	5,870	5,870

17 Analysis of net assets between funds

	General funds £'000	Tangible fixed assets fund £'000	Investment property fund £'000	Restricted funds £'000	Total 2021 £'000
Fund balances at 31 March 2021 are represented by:					
Tangible fixed assets	—	16,652	—	—	16,652
Investments	10,181	—	5,870	1,762	17,813
Current assets	6,751	—	—	448	7,199
Creditors: amounts falling due within one year	(2,402)	—	—	—	(2,402)
Total net assets	14,530	16,652	5,870	2,210	39,262
Accumulated unrealised gains included above consists of:					
- On listed investments	3,277	—	—	374	3,651
- On investment properties	—	—	4,271	—	4,271
	3,277	—	4,271	374	7,922
Reconciliation of movements in unrealised gains on investments					
Unrealised gains at 1 April 2020	1,960	—	4,271	196	6,427
Add: Net unrealised gains in the year	1,317	—	—	178	1,495
Unrealised gains at 31 March 2021	3,277	—	4,271	374	7,922

	General funds £'000	Tangible fixed assets fund £'000	Investment property fund £'000	Restricted funds £'000	Total 2020 £'000
Fund balances at 31 March 2020 are represented by:					
Tangible fixed assets	—	17,400	—	—	17,400
Investments	5,087	—	5,870	1,584	12,541
Current assets	8,506	—	—	328	8,833
Creditors: amounts falling due within one year	(1,406)	—	—	—	(1,406)
Total net assets	12,186	17,400	5,870	1,912	37,368
Accumulated unrealised gains included above consists of:					
- On listed investments	1,960	—	—	196	2,156
- On investment properties	—	—	4,271	—	4,271
	1,960	—	4,271	196	6,427
Reconciliation of movements in unrealised gains on investments					
Unrealised gains at 1 April 2019	2,152	—	2,548	222	4,922
Add: Net unrealised gains in the year	(192)	—	1,723	(26)	1,505
Unrealised gains at 31 March 2020	1,960	—	4,271	196	6,427

18 Pension costs

National Health Service Scheme

Retirement benefits for nursing staff and staff previously employed by the National Health Service (NHS) are provided by a defined benefit scheme, the National Health Service Pension Scheme, which is funded by contributions from the Hospice and the employees.

The National Health Service Pension Scheme is an unfunded scheme. Contributions on a 'pay-as-you-go' basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments.

The charity is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the National Health Service Pension Scheme. For schemes like this, FRS 102 requires the charity to account for normal pension contributions on the basis of amounts payable to the Scheme in the year.

The Hospice has set out below the information available on the deficit in the scheme and the implications for it in terms of the anticipated contribution rates.

The pension cost is assessed in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contributory levels are as follows:

Latest actuarial valuation	31 March 2016
Actuarial method	Prospective benefits
Discount rate (real rate)	2.8% until 2019 and then 2.4%
Discount rate (nominal rate)	4.86% until 2019 and then 4.45%
Pension increases	2.0%
Long term salary growth	4.2% (CPI + 2.2%)
Value of assets at date of last valuation	£278.1 billion
Value of liabilities at date of last valuation	£297.5 billion
Proportion of members' accrued benefits covered by the actuarial value of the assets	93.5%
The employer's contribution rate for the year	20.6%

Contributions paid to the Scheme during the year amounted to £421,914 (2020 – £455,387), of which £176,843 (2020 – 196,960) were employees' contributions.

Royal London Pension Scheme

This is a defined contribution scheme where employees can choose their level of contribution.

19 Related party transactions

St Joseph's Hospice, Hackney is connected to The Religious Sisters of Charity Charitable Trust, a registered charity, Charity Registration Number 231323, by virtue of the fact that the two charities have some trustees in common.

During the year, the following transactions took place between the charity and The Religious Sisters of Charity Charitable Trust:

- Expenses totalling £514,539 (2020 - £454,766) were paid by the charity on behalf of The Religious Sisters of Charity Charitable Trust during the year and were reimbursed.
- At 31 March 2021 The Religious Sisters of Charity Charitable Trust owed the Hospice £89,727 (2020 - £76,497).

During the year, trustees made donations to the charity totalling £nil (2020 - £8,089).

There were no other related party transactions during the year (2020 - none).

20 Liability of the members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up, members are required to contribute an amount not exceeding £1.

21 Operating lease commitments

At 31 March 2021, the Hospice had the following future commitments under non- cancellable operating leases, relating to items of equipment; and a five-year lease on a shop, which is cancellable after three years, with a maximum increase rate of 10% at unspecified review dates.

	2021 £'000	2020 £'000
Operating leases payments due:		
- within one year	22	33
- within one to two years	44	22
	66	55

The lease relates to commitment on our Retail Shop.

22 Post Balance Sheet Event

On 22 October 2021 the charity set up Five Sisters Managed Services, a wholly owned trading subsidiary (company registration number 13698763). The company was established to provide catering services and began trading on 30 October 2021.



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Benvenuto


 Founded in 1905 under the care of
 the Religious Sisters of Charity
 Charity No. 1113125
St Joseph's Hospice
RECEPTION



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Founded in 1905 under the care of the Religious Sisters of Charity. Charity No. 1113125



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