

# Annual Report and Financial Statements

31 March 2022



St Joseph's Hospice, Hackney  
Charity Registration No: 1113125  
Company Registration No: 05513914 (England and Wales)  
Company Limited by Guarantee



**St Joseph's  
Hospice**  
Serving East London  
and the City

# Contents

Reports	1
Reference and administrative information	1
Chair's statement	3
Message from the CEO	4
Trustees' report (incorporating the strategic report)	5
Independent auditor's report	20
<hr/>	
Financial Statements	24
Consolidated statement of financial activities	25
Charity statement of financial activities	26
Balance sheets	27
Statement of cash flows	28
Principal accounting policies	30
Notes to the financial statements	36



# Reports



## Reference and administrative information

### St Joseph's Hospice, Hackney



**Mr Paddy McGuinness**  
CMG, OBE, MA (Chair)



**Prof Jim McManus,**  
BD (Hons) OCDS  
CPsychol CSci FBPSS  
FFPH FRSB Chartered  
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**



**Mr Edward B McGuigan**  
BA FFA FIPA



Senior Management Team	
<b>Chief Executive</b>	Tony McLean SRN, RMN, RHV, Fellow of IOD
<b>Director of Clinical Services</b>	Jane Naismith RN QN PGCE BSc (Hons) MSc
<b>Medical Director and Consultant in Palliative Medicine</b>	Dr Andrew Tysoe-Calnon BSc MBBS FRCP
<b>Director of Finance, IT &amp; Facilities</b>	David French FCCA, MBA
<b>Director of Communications &amp; Enterprise</b>	Tracey Macbeth BA (Hons)
<b>Director of Human Resources</b>	Janet Simkins BA (Hons) MCIPD, MCIH
<b>Head of Mission</b>	Carolyn Barber RGN, BSc (Hons) Oncology, MA
<b>Company Registration Number</b>	05513914 (England and Wales)
<b>Charity Registration Number</b>	1113125
<b>Registered Address</b>	Mare Street Hackney London E8 4SA
<b>Telephone</b>	020 8525 6000
<b>Email</b>	info@stjh.org.uk
<b>Website</b>	www.stjh.org.uk
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Investment Managers</b>	CCLA Investment Management Limited 80 Cheapside London EC2V 6D2
<b>Solicitors</b>	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 1RG  Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB
<b>Bankers</b>	Barclays Bank plc 1 Churchill Place London E14 5HP  The Co-operative Bank plc 80 Cornhill London EC3V 3NJ

## Chair's statement

**For a second year, the COVID-19 pandemic spotlighted palliative and end of life services as vital to the national response. St Joseph's Hospice did its part. The waves of the pandemic and changing guidelines stretched us but we ensured patients had access to our services, either in person or remotely, and we offered our facilities to reinforce the NHS effort.**

Much was provided in the community as people chose care at home because of visitor restrictions or the fear of infection in a group setting. The Community Palliative Care Team (CPCT) saw a marked increase in demand, with 2,791 patient visits compared with 1,527 in 2021 – an increase of 82%.

Good end of life care includes support to those who are important to the dying person. Bereavement and pre-bereavement care strengthens those facing loss and grief. We were able to provide 8,500+ counselling and bereavement assessments, individual and family counselling and telephone support sessions, representing a 35% increase over three years.

Our Hospice was founded by five Sisters in 1905 inspired by the example of Christ and strengthened by their Catholic faith. In 2021 faith featured strongly in the Hospice through the presence and work of a multi-religion Chaplaincy team supporting people of all faiths and none, reflecting the communities we serve.

The pandemic brought rapid change and asked much of our wonderful staff. More change is coming. By the 2040s there will be an additional c100,000 deaths every year in the UK as the population ages. People will live longer with more complex health conditions and need respite care. Demand is set to increase significantly so palliative and end of life care must be at the heart of healthcare planning, and receive more resilient and sustained funding.

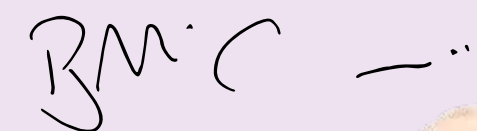
On behalf of the Board of Trustees I thank all involved for making 2021 a success in extremely challenging times. Under the leadership of Chief Executive Tony McLean, the Senior Management Team (SMT), and with support from the staff,

volunteers and the Board of Trustees, we kept our patients and staff safe from infection, navigated the ever changing landscape with positivity, and – with careful management and stewardship of our resources – met our financial targets. Not for one moment did we divert our focus from our patients. The sick, the dying and their families remain our utmost priority.

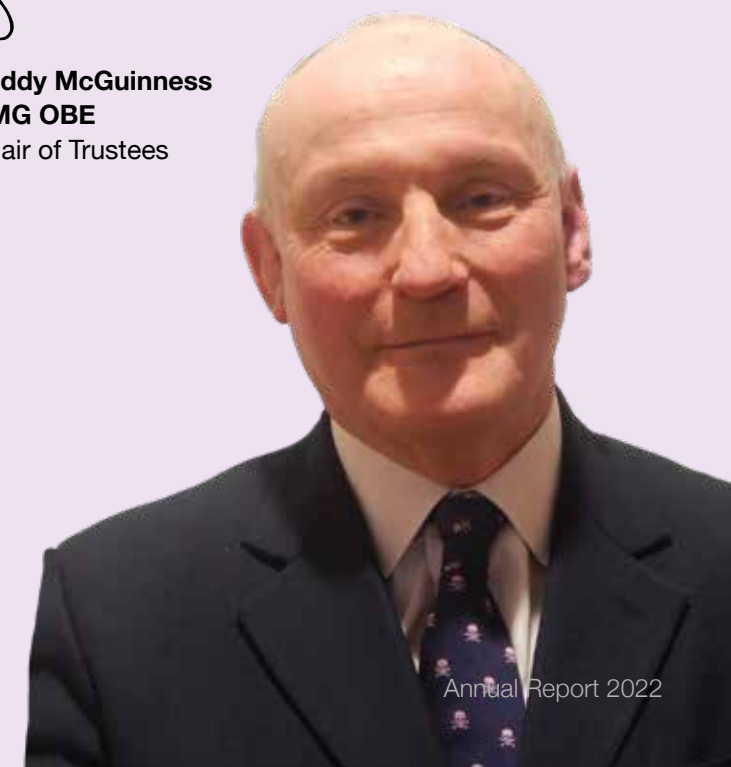
From a regulatory point of view, I and my fellow Trustees are proud of what has been achieved this year under the umbrella of well-led and good governance.

We are also most grateful to all who have donated to the Hospice. Without your charity and generosity we could not support patients and families as they deserve.

We are inspired by those five Sisters. Their Mission and Values endure in our own. Trusting in the Grace of God they built up our Hospice. This same Grace carries us into 2022 and beyond as we build to meet the growing need for palliative and end of life services.



**Paddy McGuinness**  
**CMG OBE**  
Chair of Trustees



# Message from the CEO

**A little over three and a half years into my tenure as Chief Executive of St Joseph's Hospice, my priority continues to be the execution of our five-year plan – Vision 2024 – which underpins our strategic pathway. Despite the challenges afforded by the pandemic, our talented SMT has continued to drive each of the plan's five pillars with focus and determination, delivering successes along the way.**

Our patients are always at the heart of everything we do, and this year we have been able to support more than ever before, recording more than 6,000 patients including 4,210 referrals to our services from the boroughs we serve. Much of this support, 20% more than last year, was delivered in the community. The commitment of all our staff has ensured that we have been able to safely support and look after those in our care.

Human Resources has continued to drive forward its organisational development programme within the People pillar of Vision 2024, taking a holistic mind, body and spirit approach to workforce safety, welfare and wellbeing. A particular focus this year has been Equality, Diversity and Inclusion, whereby the strategy feeds into our ambition to become an Investors in Diversity organisation.

Enterprise strategy is helping to plug some of the gap between our income and operational costs, and is now established as an important source of income for the Hospice. Having suffered during lockdown, our flagship Five Sisters Charity Shop is now firmly established as a go-to destination on the high street, and our pop up shops are generating additional

income as well as fulfilling our mission to support the disadvantaged in the community.

For the Estates pillar, the focus has been to further strengthen the Hospice's resilience, underpinned by a Sustainability Management Plan. The Facilities department has worked closely with Enterprise by re-developing unused parts of the Hospice site and re-purposing them for commercial rental. They are also in the process of creating a roof garden – a tranquil area where hard-working staff can take a break from their busy day.

For the second consecutive year, Fundraising had to adjust their plan, with many events taking place virtually instead of in-person. Nevertheless, we succeeded in achieving most of our targets, aided considerably by the generous support of corporate donors and the local community. Overall our financial position remains stable, and I do not expect this to change dramatically in the next 12 months.

We have continued to deliver our plan while remaining true to our Mission and core values, and look forward to celebrating our 118th year next year. I remain immensely proud of what we have achieved this year, and am humbled by the commitment demonstrated day in, day out, by both our frontline and support staff.



**Tony McLean**  
Chief Executive



# Trustees Report

## Introduction

The Trustees present their statutory report together with the consolidated financial statements of St Joseph's Hospice, Hackney, for the year ended 31 March 2022. 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 consolidate the accounts of St Joseph's Hospice with those of its fully owned trading subsidiary, Five Sisters Managed Services Limited, which was established on 22 October 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 – 35 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, the City of 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.

Approximately half of our income comes from the NHS through our contracts with Clinical Commissioning Groups (CCGs), which means we need to raise an additional £7 million a year just to meet our existing operating costs and commitments. 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 that 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, the City of London, and beyond. Historically, this part of East London has been characterised by material poverty and deprivation as well as religious, ethnic and cultural diversity.

We continue to develop new sources of funding to augment the income that we currently receive from the NHS and our charitable donors, and we endeavour to increase income from our various enterprises that 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 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 five year strategic plan. Now in Year 3, Vision 2024 continues to underpin our strategic path, setting 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. Each of the plan's five pillars – Patients, People, Enterprise, Estates, and Funding and Fundraising – are driven by our leadership team, ensuring that we remain on track to deliver our goals.



### Patients

We have continued to deliver a high quality service to our patients, despite the impact 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 services include:

- Inpatient Unit including planned respite
- Community Palliative Care
- Outpatient Clinics
- Day Hospice
- Social Work
- Psychological Therapies including Bereavement and Patient and Family Counselling
- Complementary Therapies
- Physiotherapy and Occupational Therapy
- Speech and Language Therapy and Dietetics
- A range of volunteer-led community services including Namaste, Empowered Living Team, Welfare Benefits, Carers Service and Compassionate Neighbours

Demand on the Hospice continues to increase. During the last 12 months, we recorded a total of 6,087 patient contacts – close to the pre-pandemic figure of 6,114 – including 4,210 external referrals from the geographies that we serve. This represents a year on year increase of 20%. We also received 446 internal and external inpatient referrals, a similar number to the previous year (451), despite the impact of COVID-19.

The number of Day Hospice appointments is heading towards pre-pandemic levels, fuelled

by St Joseph's being the first hospice in the country to physically re-open its doors after both the first and second lockdowns. Due to the pandemic, the number of patient contacts made by the Community Palliative Care Team (CPCT) decreased year on year (11,498 compared with 18,500). ) However, this is not a true reflection of CPCT's work, as the number of patients visited in their homes increased exponentially from 1,527 last year to 2,791 this year – an increase of 82%. A corresponding increase was seen by the number of CPCT visits in all community settings up 40% compared with last year. A significant increase was also seen in the number of internal and external referrals across all geographies – 1,620 this year compared with 1,524 last year.

This year saw a huge spike of 20% (1,899) in internal and external referrals to all four adult bereavement services from all areas. Also of particular note is the 25% increase (872) in the number of people referred to Psychological Therapies for counselling. The total number of support sessions provided to patients and bereaved people as a result of referrals in all areas continues to increase significantly year on year, from 6,233 in 2019-2020, to 7,458 in 2020-2021, and now 8,506 in 2021-22, driven by higher demand as 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. Following conversations on advance care planning between CPCT and end of life patients, more than three quarters (77%) of patients died within their preferred place of death.



## The Hospice serves ethnically and culturally diverse communities, and over many years we have developed a fully inclusive approach in supporting members of those communities.

Bed occupancy has decreased year on year to 48%. This reflects 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 in their homes as anxiety over COVID-19 grew during the peaks of the pandemic.

The Hospice serves ethnically and culturally diverse 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-religion 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 40 different languages spoken by our staff, patients, visitors and callers as well as our numerous volunteers. In the last year, in order to further improve access to information about the Hospice and our services, we have added new features to our website whereby every page can be translated into multiple languages, either to be read, or spoken out loud.

Within the communities that we serve, more than half (55%) of service users identify as BAMER, there is a bias to females (56.8% female, 43.2% male), and their predominant stated religions are Christian, Muslim and Catholic. Of all people recorded annually who have stated their date of birth, almost a third (30%) are under the age of 50.

Just over a third (36%) of patients are on or below the poverty line, and a similar proportion (33%) of the patients referred to us had a non-cancer diagnosis. This indicates a continued downward

trend in non-cancer patients compared with 35% in 2020-2021, and 44% in 2019-2020

We aim to provide a warm, welcoming and comfortable environment for our patients, their families, and our visitors and staff. This includes our five star hygiene rated high quality catering provision, with food freshly prepared daily on site by our in-house team. 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 its role in today's society. For a second consecutive year, 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 is planned to begin in the 2022-2023 financial year.

We take particular pride in the excellent feedback on the care and quality of our services. Our most recent CCG review took place 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 maintained very close contact with our Commissioners to ensure that we provide targeted support to patients and communities, particularly in light of the well-rehearsed pressures within acute settings throughout the COVID-19 pandemic.

Service user feedback is also 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 – 23 February 2022**

[Name withheld] was very kind, supportive and attentive. Really look forward to our weekly chats.

### **Social work – 27 March 2022**

[Name withheld] was very helpful, really appreciate the support she has given me.

### **Lourdes Ward – 28 January 2022**

Nothing was too much, all done with a smile and respectful.

### **St Michael's Ward – 23 February 2022**

The staff are fantastic, kind, caring, compassionate.

### **Day Hospice – 23 February 2022**

The staff are like family to me.

### **Namaste – 31 December 2021**

The volunteer is very gentle and polite, with lots of patience and good listening skills. We are very happy with the service.

### **Community Nursing – 27 March 2022**

I could not fault anybody. All very nice people.

### **Physiotherapy/Occupational Therapy – 27 March 2022**

I am completely satisfied with my stay and the service is wonderful.

### **Complementary Therapy – 28 November 2021**

Very kind and understanding. Everything was perfect.

## **Partnership working and collaboration**

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. However, 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, Marie Curie, Age UK East London, Macmillan Cancer Support and with many other voluntary sector care providers to deliver integrated services.

## **People**

Our HR department continues to drive forward its organisational development programme that exists to further improve our organisational and cultural strength.

Looking after the welfare of our staff and volunteers is of paramount importance. This has been particularly important during the second year of the pandemic, which has continued to have an impact on the life of Hospice staff. In addition to ensuring that the workplace has remained safe, the three workstreams created in 2020/21 to look at physical safety, psychological safety, and supporting those returning to work after a period of either self-isolation or remote working, have underpinned our COVID-19 wellbeing strategy.





The results of a staff Pulse survey enabled us to capture the various experiences of staff during the pandemic, as well as identifying additional support that was needed. We also conducted an action learning enquiry into the impact of Long COVID, and by using IGLO Methodology (Individual, Group, Leader, Organisation) we were able to benchmark our practice with research undertaken by the CIPD. This gave the Hospice reassurance that our individualised approach to supporting people back to work or voluntary service was in keeping with good practice. Furthermore, as a result of the Long COVID action learning enquiry, we were able to identify other illnesses that required staff to be off sick and to extend occupational sick pay protection to those conditions as we have for COVID. These provisions are now a permanent part of our absence management policy.

Following the launch of the Hospice's first wellbeing strategy, our popular Wellbeing Weeks have taken a holistic mind, body and spirit approach to staff welfare. The webinars and sessions held by our therapists, staff and Chaplaincy team – including acupuncture, massage, yoga and dance – have proved to be extremely popular.

### Training, Education and Development

Our Institute of Leadership Management (ILM) approved management development programme was launched after pandemic-related delays. The Programme uses the 70-20-10 methodology for learning and in doing so is a flexible and creative programme that is holistic, recognising that learning can be experiential, informal or formal. Staff have welcomed the addition of Mental Health First Aid training in order to support those who have been directly affected by the pandemic. The Hospice maintains its high standard of compliance with statutory and mandatory training at 94%.

Our investment in new equipment for the Education Centre – which enables distance learning and virtual attendance – has significantly improved the learning experience for staff, as well as commercial customers.

### Staff engagement and voice

We have continued to embed our “one staff concept”, which recognises the value of employees and volunteers and the unique contribution of both groups to the life and work of the Hospice, in a meaningful way. The pandemic has presented challenges with us not being able to come together as often as we would like. However, we have been able to hold induction programmes for both new staff and volunteers so that all are afforded the same opportunities to learn about the organisation. Every year we celebrate St Joseph's Day in combination with long service awards events, recognising some who have worked or volunteered at St Joseph's for more than 40 years. Peer recognition through quarterly Above and Beyond Awards always achieves high levels of engagement.

Engaging staff in two-way communications is extremely important, so that everyone has the opportunity to contribute to Hospice life. We deliver weekly SMT briefings to Managers and Heads of Department, which empowers them to discuss what is happening at a leadership level with their respective teams.

News is distributed regularly by our CEO, who holds CEO Clinics every two months. This is further supplemented by quarterly CEO Bulletins, SMT surgeries, and news distributed through our intranet and email system, as well as the launch of our first quarterly People Bulletin.

We are in the fourth 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.

Our Equality, Diversity and Inclusion Committee's strategy feeds into our ambition to become a FREDIE organisation (Fairness, Respect, Equality, Diversity, Inclusion, Engagement) which is awarded by the National Centre for Diversity. Staff surveys help to identify areas where we need to improve, in addition to recognising what we already do well as a fair and just employer. We are working on the action plan that was developed with the National Centre for Diversity.

We continue to support our membership of the London Hospices LGBTQ+ Network, and regularly contribute 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. Every October we celebrate Black History Month, this year featuring an engaging and inspirational talk by former rugby player, Martin Offiah.

Our drive to ensure that we are a dementia-friendly hospice continues, with all staff wearing dementia-friendly name badges, and undergoing mandatory training to understand the needs of dementia patients.

### Freedom to Speak Up

We have now appointed and trained seventeen Freedom to Speak Up champions, who have oversight of clinical and non-clinical concerns. The two Freedom to Speak Up Guardians who represent the Hospice to the Office of the National Guardian, also chair the Hospice Freedom to Speak Up Network, which feeds into the work of the Office of the National Guardian. All hospices registered with the Office of the National Guardian attend these meetings, ensuring that the collective voice of the hospice movement is heard.

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 Charity 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.







Enterprise

Our Enterprise strategy – developed as a pillar within Vision 2024 back in 2019 to establish more predictable, sustainable and new income streams for the Hospice – is now firmly established as an important source of income for the Hospice. This assists with our ongoing strategy to find new ways to try to fill the financial gap between our running costs and the income that we derive from our NHS block contract and fundraising.

With careful planning of our space resource, we have repurposed unused parts of our site by refurbishing and converting them, then renting or leasing to local organisations that 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 building that was previously unused for many years – that has now been renovated as part of a wider estate review.

Demand for office space within the Hospice site is high, and we remain 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 all rooms on the second floor have been rented on a licence basis to therapists.

Towards 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, to community-based organisations, social enterprises and commercial businesses for meetings, events and workshops.

We have built good relationships with our tenants, in particular when we have supported those who experienced financial difficulty due to the pandemic. Despite modest rent refinancing initiatives, we still comfortably exceeded targets, and all licence and leaseholders subsequently renewed their contracts.

Our permanent shop in Mare Street and pop up shop in Well Street experienced long periods of closure during the COVID-19 peak and, since re-opening, we have focused on establishing their presence on the high street. Like other hospices, we have experienced challenges recruiting volunteers to help staff the shops. Nevertheless, both show promise in generating additional income due to their advantageous positions on the high street, and the high quality of the used goods that they sell. We continue to be extremely grateful to the local community for their support and generous good quality donations.

In Q3 2021, we secured a further two rent-free pop up units adjacent to our Mare Street shop, which we have branded as Five Sisters® Home to sell donated furniture, with the second positioned as Five Sisters® Books. Looking ahead to 2022/23, we plan to further extend our retail portfolio, aiming to open one to two additional shops, and are piloting a presence with a bookstall in Hackney’s busy Broadway Market. Additionally, we will be strengthening our online presence by opening retail accounts on selected web-based platforms.

We undertook a refresh of our on-site key worker accommodation, and were able to offer rooms to staff who were unable to travel to work during lockdown. This helped us to ensure that there was no impact on our ability to support patients.

To further expand our external commercial portfolio, we have established a separate company under the Five Sisters® umbrella.

In November 2021, Five Sisters® Managed Services Ltd. won its first contract to provide the catering service for another hospice. Now successfully established, we plan to bid for other catering contracts with hospices and other organisations that are aligned with our values. Results will be reported separately in Five Sisters Managed Services accounts.

Estates

The focus of the Estates strand of Vision 2024 continues to be to further strengthen site and Hospice resilience. The strategy is supported by our comprehensive site audit, which includes a review of safety policies.

We have also continued to work hand in hand with the Enterprise strategy by redeveloping parts of the Hospice site for commercial purposes.

Energy, environment and sustainability

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

Our three-year data illustrates a significant reduction in our electricity purchase by 20%, driven by the installation in 2020 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. Introducing solar energy is contributing to utilities and energy cost savings as well as reducing carbon emissions, and demonstrates the Hospice’s commitment to sustainability and the environment.

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

Addressing waste issues continues to be high on our agenda, and we are in the process of planning the replacement of some of our aged boilers and laundry machines with significantly more energy efficient equipment.

The two electric cars and charging points – paid for by a fundraising campaign and OLEV funding – continue to prove valuable for our Community Palliative Care Team when visiting patients in the community.

We all know the therapeutic benefits of green and tranquil spaces, especially when we are leading such busy lives. This has been particularly highlighted during the pandemic. To help alleviate some of the stresses and as part of our sustainability strategy, we are creating a new roof garden on the fourth floor of Centenary Wing. It will be a relaxing, restorative environment for staff, with lush planters and seating for those who are looking to take a break from their busy day or to take in the fantastic views across London.

Now that the peak of the pandemic has passed and footfall is starting to increase, we have identified a space to create a Visitors Dining Room in the main Hub area. This will provide a quiet, relaxing space for visitors to enjoy a coffee or lunch while they are waiting for their appointment, as well as ensuring that the main waiting area does not become too busy.

	Proportion of UK emissions		Kwh	Proportion of UK emissions		Kwh	Proportion of UK emissions		Kwh	% Change
	2019/20			2020/21			2021/22			
Direct Emissions										
Combustion of Gas	100%		2.47	100%		2.37	100%		2.35	-5%
Indirect Emissions										
Purchase of Electricity	100%		1.12	100%		0.97	100%		0.90	-20%





## Funding and fundraising

The COVID-19 pandemic continued to impact heavily on our fundraising in 2021-2022, with many events delayed, local businesses closed and much fundraising impacted by the uncertainty.

However, we adapted our approach where possible, so were still able to generate some notable successes.

Ahead of schedule, we raised £65,000 for our Bed Appeal from trusts, corporates and our local community to replace 18 specialist beds and mattresses on our wards.

By making some adjustments to our Great East End Walk, we were able to hold an in-person event, with over 100 people joining us on the day to walk through London, and raising almost £30,000 for the Hospice.

After postponing our Firewalk three times due to the pandemic, we were delighted to finally hold the event in October 2021. Thirteen brave “soles” faced their fears, walking across hot coals for their favourite hospice, raising more than £5,000 in the process.

Also delayed due to the pandemic, we finally saw fifteen runners – who had been training since 2020 – take to the streets to complete the London Marathon and raised more than £30,000 to help people in our service areas.

Once again, our annual Light up a Life service was held online, livestreamed with a small staff only presence on site to light the Remembrance Tree. We received more than 3,000 dedications, and raised an incredible £54,000. We hope to be able to hold an in-person event in 2022, restrictions permitting.

We were delighted to receive a donation of £11,000 from The Mark Benevolent Fund, given in memory of HRH Prince Philip the Duke of Edinburgh, as nominated by Middlesex and London Provinces. Two members of the Fundraising team were invited to a cheque ceremony in August 2021.

During the pandemic, we experienced a drop in legacy income, which had an impact on our overall income. The nature of legacies is always unpredictable, but delays with probate exacerbated the issue. Additionally promoting legacies has been challenging, with live will workshops either cancelled or moved online. Nevertheless, we have seen notifications increase from the previous year, which bodes well for the future.

We acknowledge the support of generous funders, without whom we would be unable to provide the exemplary levels of care and support for which we are known.

This year, we would like to thank the Hobson Charity for enabling us to purchase new syringe drivers to help manage pain and discomfort, the Linder Foundation for supporting our bid to purchase new state-of-the-art beds, the Boshier-Hinton Foundation for funding a specialist easel that enables people with disabilities to take part in art therapy, and City Bridge Trust for supporting our Namaste service and Social Work team.

We would also like to thank the St John Southworth Fund who contributed to our Compassionate Neighbours programme.

## Financial Statements

The Board of Trustees agreed a budget of breakeven and we exceeded this by recording a £548k surplus. With unrealised gains of £1.05M during the year, the group increased its funds by £1.6M (£1.9M in 20/21).

We have been delighted to undertake a programme of extra expenditure during the second half of the year, making improvements across the organisation, whilst maintaining our healthy financial position. Projects included new equipment in the gym, replacing fences, paving and pruning trees in the garden, new trolleys for the porters, improvements to the shop and a new access control system.

Our staffing costs will continue to be the largest element of overall expenditure at about 75% and we continued to manage the establishment well whilst delivering excellent patient outcomes. Non-pay expenditure also continued to be managed well, with departmental managers working with the finance team to stay within budgets.

Total income was £14.4M (£14.6M in 20/21). The previous year included £1M non-recurrent funding for pandemic support from the local NHS. There was further support from NHS England due to the Omicron variant. NHS funding from our local CCG's remains a key element of our income, helping to support the delivery of our specialist care.

Enterprise income was £200K greater than the previous year, totalling nearly £0.8M, as we created Five Sisters® Managed Services Ltd. to deliver external services. Whilst this is a commercial entity, our philosophy is consistent with the values of St Joseph's Hospice, so we will work with partners to improve quality while delivering financial efficiency. In November, Five Sisters Managed Services Ltd took on the Catering contract at Saint Francis Hospice, in Essex. The annual cost of that contract is approximately £220k and we were able to increase their Food Hygiene Rating early in the contract.

Donations continued to be adversely impacted by the protracted pandemic. Total donations income was £1.2M (£1.5M in 2021). However, legacies recovered to £2.4M, which was £1.0M greater than last year reflecting probates were speeding up following easing of pandemic restrictions.

## Capital expenditure

We have developed a more prospective capital programme, which started with the installation of solar panels across our roofs. As well as contributing to our environmental sustainability programme, we anticipate that these will pay for themselves within six years.

Our commitment to our resident staff is reflected in the creation of a conservatory on the roof of St Patrick's wing – a space that gives residents fantastic views across the City of London skyline. We invested in new IT infrastructure, hardware and licenses.

## Listed investments

It is our policy to invest surplus cash into the funds held by CCLA and during the year, we invested another £3.5M. At year-end total portfolio had a value of £16.4M.

Naturally, the price of these investments took a hit in Q4, largely as a consequence of the conflict in Ukraine, which caused global uncertainty. A key measure for the Trustees is the long-term unrealised gains and during the year, unrealised gains totalled £1.05M.

We remain realistic about the mid-term uncertainty, but our focus is on the long-term and we will continue with the same approach of sweeping surplus cash into CCLA.

Dividend income from this source is growing and has become a key source of operating income.

## Investment policy

Although the Trustees are free to make investment decisions, they have determined that these shall be in line with our Mission, Values, and environmental stance. Our listed investments are managed by CCLA and are split between the COIF and the Catholic Fund. Over the long-term CCLA has delivered on the Trustees requirements of 3% capital appreciation after consideration for inflation and we have no plans to change.

## Working capital

Management of cash, debtors and creditors is an important part of our financial framework. Debtors have caused us no issue during the year – despite the changes in the local NHS, CCG's have paid promptly, as have our tenants and other debtors. Legacies continue to comprise a significant proportion of debtors due to charity reporting requirements (which state that legacies need to be recorded when receipt is probable rather than when payment is made).

We are committed to paying our bills on time and whilst there will always be the odd challenge, relationships with suppliers are healthy and we have a very open approach to any issues they may have.

We continue to retain sufficient cash levels while transferring surplus to CCLA.

With payroll being our main source of expenditure, our cash planning ensure that staff are paid promptly.

Overall, there have been no concerns with working capital and at year-end we have successfully reduced the working capital days held from 120 days in March 2021 down to 46 days by March 2022. Anywhere between 40 and 50 days is within our target area for the time being. The reduction in working capital days is consistent with our post-COVID reduction approach to cash holding.

## Funds

With total funds increasing by £1.4M, we are in a very healthy position. The general fund is the key source of support for the ongoing clinical activities and during the year its value increased to £16.2M.

Our main restricted fund is the Mission Fund, with the monies available to support our Values and Ethos. At year end this stood at £2.44M.

The Fixed Asset Fund represents the net book value of all our capital assets (excluding investment property). During the year, additions to the fund totalled £300k, whilst depreciation against existing assets was £764k.

The Investment Property Fund value reflects the value of those areas we can commercially let out to tenants. We had a revaluation at the end of the year and the fund increased by £45k to £5.91M.

## Reserves policy

The Trustees have set a minimum free reserves target of nine months operating expenditure. At current expenditure levels, nine months expenditure represents £10.5M.

To ensure the ongoing viability of the Hospice they have deemed that we need to have sufficient funds to sustain a period of income uncertainty whilst maintaining expenditure on clinical quality.

Whilst there is no 'set' figure for reserves, the pandemic has also demonstrated how organisations need to keep sufficient funds available for significant adverse events and the Trustees are confident that this policy ensures the sustainability of the Hospice, even through major short to medium term adverse events.

## 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).

Note 8 on page 40 confirms that there were no Trustee expenses paid during the year.

## Risk management

The SMT and Board regularly review risk and have put in place a learning infrastructure, which can identify risk, review and implement change. Our policies and procedures are reviewed by independent external assessors and where recommendations are made, we take corrective action.

The risk register forms an integral part of our risk assessment and is supported by various committees that meet regularly.

All staff undergo relevant training and accreditation.

## Financial sustainability

Long-term sustainability is dependent on our relationships with the NHS, the ability to fundraise and enterprise, coupled with an ability to manage expenditure, whilst delivering great care.

We seek to be proactive and dynamic – responding to the needs of the NHS strategy and our clinical teams are significant contributors to the Palliative Care strategy across North East London. We remain conscious that we are the biggest provider of Palliative Care in the region and do not expect our NHS contract to be materially altered as the relationship with the NHS remains positive.

We continue to invest in an excellent Fundraising team who not only do a great job raising money, but ensure we deliver across the local community. We recognise that being 117 years old, we are privileged to have the Hospice entrusted to our leadership. Ensuring that the Hospice continues to be well managed makes it certain that patients and families can benefit from the Hospice for generations to come.

A few years ago, we embarked on an ambitious enterprise programme, which is now reaping significant rewards. We have several long-term tenants and through the creation of Five Sisters Managed Services Ltd we continue to expand.

We understand the value of investing wisely and as a consequence we are now generating annual dividend income of £440,000, plus we have an expectation of long-term capital growth.



**We are therefore confident that the diversification of our income streams de-risks our financial position and helps to ensure long-term sustainability.**





## 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 2022 and up to the date on which this report was approved are shown below.

Trustees	Appointed/resigned
Mr Paddy McGuinness CMG, OBE, MA (Chair)	
Mr Edward B McGuigan BA FFA FIPA	
Sister Rita Dawson MBE DL RSC MSc BSc (Hons) RGN RSCN	
Margaret Doherty BA (Hons), DEBA, MCIPR	
Prof Jim McManus, BD (Hons) OCDS CPsychol CSci AFBPsS FFPH FRSB	
Dr Una Molloy, RGN ,RM , BNS( Hons), MSc Nursing, PhD.	
Dr Michael Moran PhD MMedSci MBChBAO BSc (Hons) MRCS DO-HNS	
Mr Peter Pledger (Treasurer)	
Sister Jacqueline Doherty RSC	

### 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 Group and the Charity and of the income and expenditure of the Group and 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 Group and 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 Group and 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 Group and 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 Group and 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:

*BM C*

Trustee

Date of approval: 16th December 2022

# 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") and of St Joseph's Hospice, Hackney and its subsidiary company (the "Group") for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the Charity statement of financial activities, the Group and Charity balance sheets, the Group and Charitable Company statements 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 Group and Charitable Company's affairs as at 31 March 2022 and of their 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 Group and Charitable financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and 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 light of the knowledge and understanding of the Group and the Charitable Company and their 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

## 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 Group and Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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 Group and Charitable Company 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 Group and/or Charitable Company. 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 Group and Charitable Company'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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

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

 Buzzacott LLP

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

19 December 2022

# Financial Statements



## Consolidated statement of financial activities Year to 31 March 2022

	Notes	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
<b>Income and Expenditure</b>							
<b>Income From:</b>							
Donations and legacies	1	3,457	143	3,600	2,762	159	2,921
Other trading activities:							
- Fundraising events		71	-	71	47	-	47
- Five Sisters Managed Services Limited		82	-	82	-	-	-
Investments and bank deposits	2	934	50	984	733	36	769
Charitable activities	3	8,678	921	9,599	9,784	1,023	10,807
Miscellaneous income		24	1	25	6	1	7
<b>Total income</b>		<b>13,246</b>	<b>1,115</b>	<b>14,361</b>	<b>13,332</b>	<b>1,219</b>	<b>14,551</b>
Expenditure on:							
Raising funds:							
Costs of generating donations & legacies	4	846	-	846	758	-	758
Costs of trading							
- Five Sisters Managed Services Limited		87	-	87	-	-	-
- Hospice inpatient care	5	7,989	657	8,646	8,591	701	9,292
- Hospice outpatient and day services	5	900	8	908	986	8	994
- Community palliative care services	5	1,932	311	2,243	1,708	291	1,999
- Psychosocial and bereavement services	5	753	26	779	749	30	778
- Education, training and research	5	237	-	237	268	-	268
- Patient café and dining room	5	26	-	26	24	-	24
- Investment property costs		41	-	41	38	-	38
<b>Total expenditure</b>		<b>12,811</b>	<b>1,002</b>	<b>13,813</b>	<b>13,122</b>	<b>1,030</b>	<b>14,152</b>
- Net Income before Investment gains and transfers		435	113	548	210	189	399
- Net gains on investments	12	932	117	1,049	1,317	178	1,495
- Net income before transfers		1,367	230	1,597	1,527	367	1,894
- Transfers between funds	15	3	(3)		69	(69)	
- Net income and net movement in funds	7	1,371	227	1,597	1,596	298	1,894
Reconciliation of funds							
Balances brought forward at 1 April 2021		37,052	2,210	39,262	35,456	1,912	37,368
Balances carried forward at 31 March 2022		38,422	2,437	40,859	37,052	2,210	39,262



# Charity statement of financial activities

## Year to 31 March 2022

	Notes	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
<b>Income and Expenditure</b>							
<b>Income From:</b>							
Donations and legacies	1	3,457	143	3,600	2,762	159	2,921
Other trading activities:							
- Fundraising events		71	-	71	47	-	47
Investments and bank deposits	2	934	50	984	733	36	769
Charitable activities	3	8,678	921	9,599	9,784	1,023	10,807
Miscellaneous income		23	1	24	6	1	7
<b>Total income</b>		<b>13,163</b>	<b>1,115</b>	<b>14,278</b>	<b>13,332</b>	<b>1,219</b>	<b>14,551</b>
Expenditure on:							
Raising funds:							
Costs of generating donations & legacies		846	-	846	758	-	758
Charitable Company	4						
Charitable activities							
- Hospice inpatient care	5	7,989	657	8,646	8,591	701	9,292
- Hospice outpatient and day services	5	900	8	908	986	8	994
- Community palliative care services	5	1,932	311	2,243	1,708	291	1,999
- Psychosocial and bereavement services	5	753	26	779	749	30	778
- Education, training and research	5	237	0	237	268	-	268
- Patient café and dining room	5	26	0	26	24	-	24
Investment property costs		41	0	41	38	-	38
<b>Total expenditure</b>		<b>12,724</b>	<b>1,002</b>	<b>13,726</b>	<b>13,122</b>	<b>1,030</b>	<b>14,152</b>
Net Income before Investment gains and transfers		439	113	552	210	189	399
Net gains / (Losses) on investments	11	932	117	1,049	1,317	178	1,495
Net income before transfers		1,371	230	1,601	1,527	367	1,894
Transfers between funds	14	3	(3)	-	69	(69)	-
Net income and net movement in funds	7	1,374	227	1,601	1,596	298	1,894
Reconciliation of funds							
Balances brought forward at 1 April 2021		37,052	2,210	39,262	35,456	1,912	37,368
Balances carried forward at 31 March 2022		38,426	2,437	40,863	37,052	2,210	39,262

All of the Group and Charitable Company's activities derived from continuing operations during the above two years. All recognised gains and losses are included in the above Statements of financial activities.

# Balance sheets as at 31 March 2022

	Notes	Group 2022 £'000	2021 £'000	Charity 2022 £'000	2021 £'000
<b>Fixed assets</b>					
Tangible assets	11	16,188	16,652	16,188	16,652
Investments	12	22,362	17,813	22,362	17,813
		38,550	34,465	38,550	34,465
<b>Current assets</b>					
Stocks		31	33	31	33
Debtors	13	2,524	2,665	2,524	2,665
Short term deposits		1,982	4,470	1,982	4,470
Cash at bank and in hand		203	31	135	31
		4,740	7,199	4,672	7,199
<b>Creditors: amounts falling due within one year</b>	14	<b>(2,431)</b>	<b>(2,402)</b>	<b>(2,359)</b>	<b>(2,402)</b>
<b>Net current assets</b>		<b>2,309</b>	<b>4,797</b>	<b>2,313</b>	<b>4,797</b>
<b>Total net assets</b>		<b>40,859</b>	<b>39,262</b>	<b>40,863</b>	<b>39,262</b>
<b>The funds of the charity:</b>					
<b>Income funds</b>					
Restricted funds	15	2,437	2,210	2,437	2,210
<b>Unrestricted funds</b>					
- General funds		16,323	14,530	16,323	14,530
- Tangible fixed assets fund	16	16,188	16,652	16,188	16,652
- Investment property fund	17	5,915	5,870	5,915	5,870
- Non-Charitable trading funds	10	(4)	-	-	-
		38,422	37,052	38,426	37,052
		40,859	39,262	40,863	39,262

Approved by the Trustees and signed on their behalf by:



Trustee

Date of approval: 16th December 2022

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

# Statement of cash flows

## Year to 31 March 2022

Notes	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>				
Net cash provided by (used in) operating activities A	500	1,085	432	1,085
<b>Cash flows from investing activities</b>				
Investment income and interest received	984	769	984	769
Purchase of tangible fixed assets	(300)	(322)	(300)	(322)
Acquisition of Investments	(3,500)	(3,777)	(3,500)	(3,777)
<b>Net cash used in investing activities</b>	<b>(2,816)</b>	<b>(3,330)</b>	<b>(2,816)</b>	<b>(3,330)</b>
Change in cash and cash equivalents in the year	(2,316)	(2,245)	(2,384)	(2,245)
Cash and cash equivalents at 1 April 2021 B	4,501	6,746	4,501	6,746
Cash and cash equivalents at 31 March 2022 B	2,185	4,501	2,117	4,501

## Notes to the statement of cash flows for the year to 31 March 2022

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

	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>1,597</b>	<b>1,894</b>	<b>1,601</b>	<b>1,894</b>
Adjustments for:				
Depreciation charge	764	743	764	743
Loss on disposal	-	327	-	327
Gains on investments	(1,049)	(1,495)	(1,049)	(1,495)
Investment income and interest receivable	(984)	(769)	(984)	(769)
Decrease / (Increase) in stock	3	(9)	3	(9)
Decrease / (Increase) in debtors	140	(602)	140	(602)
Increase / (Decrease) in creditors	29	996	(43)	996
<b>Net cash provided by (used in) operating activities</b>	<b>500</b>	<b>1,085</b>	<b>432</b>	<b>1,085</b>

### B Analysis of cash and cash equivalents (net debt)

	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash at bank and in hand	203	31	135	31
Short term deposits	1,982	4,470	1,982	4,470
<b>Total cash and cash equivalents</b>	<b>2,185</b>	<b>4,501</b>	<b>2,117</b>	<b>4,501</b>







## 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 2022 with comparative information presented for the year to 31 March 2021.

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.

### Basis of consolidation

The financial statements consolidate the accounts of St Joseph's Hospice, Hackney with those of its wholly owned subsidiary, Five Sisters Managed Services Limited to the balance sheet date. All figures are consolidated on a line by line basis.

### Critical accounting estimates and areas of judgment

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 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 next page)

### 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 at least one year from the date of approval of these financial statements.

The restrictions due to the 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 we are still uncertain exactly when we will return to 'normal' or how the pandemic may change things, a similar position to that reported twelve months ago.

This year, the NHS made more funding available to Hospices following the Omicron variant and by year-end we had received £196k.

Our relationship with the local NHS means that we remain well positioned relative to other hospices. Our reliance on retail is low and prior to the pandemic we had already focused on growing our enterprise. Our tenant occupancy remains high and we continue to have good relationships with our key tenants and are renegotiating, or have renegotiated extensions.

We thank our supporters for continuing to donate to the Hospice, enabling us to continue to carry out our work. Our volunteers have started to return, although restrictions remain in place across the Hospice.

As the restrictions further unwind, we expect inpatient activity to increase and we will continue to work with the local NHS and other stakeholders planning for the future. The Trustees are optimistic that the Group and Charity will continue as a going concern, with the level of assets required to meet our liabilities into the long-term, supported by future plans to diversify our operations whilst continuing to demonstrate value for money for the NHS.

### Income recognition

Income is recognised in the period in which the Group and 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 the trading activities of Five Sisters Managed Services Limited, 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 Group and Charity have 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 Group and 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 Group and 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 Group and 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 Group and Charity have been notified of the executor's intention to make a distribution.

Where legacies have been notified to the Group and Charity or the Group and 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.

Trading income generated by Five Sisters Limited is recognised once the work has been invoiced and is stated net of any discounts, VAT, etc.

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 Group and Charity; this is normally upon notification of the interest paid or payable by the bank.

Contracts and service agreements in respect of the provision of healthcare services are recognised to the extent that it is probable that the economic benefits will flow to the Group and 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 Group and 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 staff costs associated with fundraising, and an allocation of support costs. It also includes costs incurred by the subsidiary company
- 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 Group and 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 Group and 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

During the year, the Trustees approved an increase in our de minimis limit for recognising capital assets. Assets costing more than £5,000 and with an expected useful life exceeding one year are capitalised.

### Freehold land and buildings

Transfers 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 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.

### Plant and equipment

Transfers 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 since 1 April 2012 on the purchase and replacement are capitalised at cost.

Plant and equipment is depreciated between 10 and 20 years on a straight line basis, dependent upon the individual asset.

### Computer equipment

Additions are capitalised at cost.

Computer equipment is depreciated over a three year period on a straight line basis in order to write off the cost of over its estimated useful life.

### 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.

### Furniture

Transfers 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 since 1 April 2012 are capitalised at cost.

Furniture is depreciated over a four-year period on a straight line basis.





## 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 Group and Charity do not acquire put options, derivatives or other complex financial instruments

As noted above the main form of financial risk faced by the Group and 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 for the Trustees by independent professionals

Investment by the Charity in the issued share capital of Five Sisters Managed Services Limited is shown at cost.

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 Group and Charity anticipate they 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.

Non-charitable trading funds comprise the accumulated losses of the subsidiary company, Five Sisters Managed Services Limited.

## Basis for Consolidation

The SOFA and the group balance sheet show the consolidated accounts of St Joseph's Hospice and its subsidiary, Five Sisters® Managed Services Ltd.

## Pension costs

Pension costs are payable in respect of defined contribution and defined benefit pension schemes. The Group and Charity are unable to identify their 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 are 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

Group and Charity	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Donations	1,051	143	1,194	1,335	159	1,495
Donations of cremation fees received	10	-	10	12	-	12
	1,061	143	1,204	1,347	159	1,506
Legacies	2,396	-	2,396	1,415	-	1,415
<b>Total funds</b>	<b>3,457</b>	<b>143</b>	<b>3,600</b>	<b>2,762</b>	<b>159</b>	<b>2,921</b>

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

## 2 Income from: Investments and bank deposits

Group and Charity	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Income from listed investments						
- UK common investment funds	374	50	424	268	36	304
Rental income from investment properties	546	-	546	461	-	461
Bank interest	14	-	14	4	-	4
<b>Total funds</b>	<b>934</b>	<b>50</b>	<b>984</b>	<b>733</b>	<b>36</b>	<b>769</b>

## 3 Income from: Charitable activities

Group and Charity	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Statutory grants and service agreements						
- Clinical Commissioning Groups	8,452	753	9,205	9,440	787	10,227
Grants receivable – Big Lottery	-	63	63	-	133	133
Other grants and service level agreements	6	105	111	78	101	179
Fees for education services and room hire	84	-	84	114	-	114
Residences and other rental income	61	-	61	84	-	84
Income from provision of catering, telephone, newspapers and books	75	-	75	68	2	70
<b>Total funds</b>	<b>8,678</b>	<b>921</b>	<b>9,599</b>	<b>9,784</b>	<b>1,023</b>	<b>10,807</b>

Disclosure Note: Following the year-end, the Charity has received a further £272k of grant funding from Hospice UK. This funding has not been recognised in these financial statement as the income recognition criteria have been deemed not to have been met 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 Charity and the likely timing of these funds.



## 4 Costs of generating donations and legacies

Group and Charity	Direct costs £'000	Support costs (note 6) £'000	Total 2022 £'000	Direct costs £'000	Support costs (note 6) £'000	Total 2021 £'000
Staff costs	433	-	433	396	-	396
Other direct costs	217	-	217	187	-	187
Support costs	-	196	196	-	175	175
<b>Total funds</b>	<b>650</b>	<b>196</b>	<b>846</b>	<b>583</b>	<b>175</b>	<b>758</b>

## 5 Expenditure on: Charitable activities

Group and Charity	Direct costs £'000	Support costs (note 6) £'000	Total 2022 £'000	Direct costs £'000	Support costs (note 6) £'000	Total 2021 £'000
Hospice inpatient care	6,266	2,380	8,646	6,764	2,528	9,292
Hospice outpatient and day services	637	271	908	685	309	994
Community palliative care services	1,660	583	2,243	1,493	506	1,999
Psychosocial and bereavement services	584	195	779	559	220	779
Education, training and research	193	44	237	215	53	268
Patient café and dining room	26	-	26	24	-	24
<b>Total funds</b>	<b>9,366</b>	<b>3,473</b>	<b>12,839</b>	<b>9,740</b>	<b>3,616</b>	<b>13,356</b>

## 6 Support costs

Group and Charity	2022 £'000	2021 £'000
Staff costs	1,471	1,460
Recruitment and training	175	53
Services contracted out	25	16
Consumables	87	66
Maintenance and running costs	587	572
Depreciation	764	743
Loss on disposal of tangible fixed assets	-	327
Office expenses	535	535
Auditor's remuneration	25	19
	<b>3,699</b>	<b>3,791</b>

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

	Group		Charity	
This is stated after charging:	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Staff costs (note 8)	10,429	10,539	10,393	10,539
Auditor's remuneration				
- Current year audit fees	18	17	18	17
- Prior year audit fees	7	-	7	-
- Fees for tax computation	-	2	-	2
Depreciation	764	743	764	743
Loss on disposal of tangible fixed assets	-	327	-	327
Operating lease rentals	22	22	22	22

## 8 Staff costs and trustees' remuneration

Group and Charity	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Staff costs during the year were as follows:				
Wages and salaries	8,502	8,533	8,474	8,533
Social security costs	858	846	856	846
Pension costs	586	517	584	517
	9,946	9,896	9,914	9,896
Seconded and agency staff	483	643	479	643
	10,429	10,538	10,393	10,538

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:

Group and Charity	2022	2021
£60,001 – £70,000	5	7
£70,001 – £80,000	3	2
£80,001 – £90,000	-	1
£90,001 – £100,000	1	-
£110,001 – £120,000	-	1
£120,001 – £130,000	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 five employees (2021 – six employees), and to defined benefit schemes in respect of four employees (2021 – four employees).

Total employer contributions to pension schemes in respect of such employees during the year amounted to £74,913 (2021 – £75,209).

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 £644,565 (2021 – £511,441).

No Trustees received any remuneration during the year (2021 – £nil) and no expenses were reimbursed to Trustees (2021 – none).

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

	2022 Full time equivalent	2021 Full time equivalent	2022 Average headcount	2021 Average headcount
Raising funds	10	9	12	10
Hospice inpatient care	137	143	160	179
Hospice outpatient and day services	8	9	12	12
Community palliative care services	16	15	17	16
Psychosocial and bereavement services	10	11	23	23
Education and training	2	3	3	4
Hospice catering	6	5	8	8
Support and administration	25	22	28	23
	214	217	263	275

## 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.

The subsidiary company Five Sisters Managed Services Limited has entered into a Gift Aid compliant Deed of Covenant whereby it donates its taxable profits (if any) to its parent charity each year. In the year to 31 March 2022, the amount payable was £nil.

## 10 Subsidiary undertaking

The Charity owns the entire issued share capital of £1 in Five Sisters Managed Services Limited, a company registered in England and Wales (Company Registration Number 13698763). The subsidiary was set up on 22 October 2021. The results of the subsidiary for the year ended 31 March 2022 are set out below.

Five Sisters® Managed Services Ltd	
Period from 22 October 2022 to 31 March 2022	
	2022 £'000
Turnover	97
Cost of Sales	(56)
Gross Profit	41
Administrative expenses	(45)
Operating Loss	(4)
Gift Aid	-
Loss for the financial period	(4)
Accumulated losses at 31 March 2022	(4)



## 11 Tangible fixed assets

### Group and Charity

	Freehold land and buildings £'000	Major building refurbishment £'000	Furniture, plant, equipment and motor vehicles £'000	Total £'000
<b>At cost or deemed cost</b>				
At 1 April 2021	16,039	2,618	2,529	<b>21,186</b>
Additions	-	10	290	<b>300</b>
At 31 March 2022	16,039	2,628	2,819	<b>21,486</b>
<b>Depreciation</b>				
At 1 April 2021	2,077	1,131	1,326	<b>4,534</b>
Charge for the year	231	251	282	<b>764</b>
At 31 March 2022	2,308	1,382	1,608	<b>5,298</b>
<b>Net book values</b>				
At 31 March 2022	13,731	1,246	1,211	<b>16,188</b>
At 31 March 2021	13,962	1,487	1,203	<b>16,652</b>

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.

## Capital commitments

At year-end the Group and Charity had one capital commitment of £101k (2020/21 – £70K) which related to partial completion of our new access control system and upgrade of IT systems.

## 12 Investments

### Group and Charity

	Investment property £'000	Listed investments £'000	Total £'000
Market value at 1 April 2021	5,870	11,943	<b>17,813</b>
Acquisitions	-	3,500	<b>3,500</b>
Disposals	-	-	<b>-</b>
Unrealised gains/losses	45	1,004	<b>1,049</b>
At 31 March 2022	5,915	16,447	<b>22,362</b>
Cost of investments at 31 March 2022	1,599	11,792	<b>13,391</b>

Investment property comprises of:

- A commercial office building close to the main Hospice site at 72-74 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 2019/20, another part of the ground floor of the Centenary Wing was rented out. Refurbishment of the Mare Street Wing has been completed and it is rented out
- These parts of the estate have been classified as investment properties and revalued by using a method based on rental yields. Revaluations were carried out in March 2022 by property professionals after conducting an inspection of the relevant properties. These valuations resulted in an increase of £45,000, as reflected above. prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards (The Red Book), incorporating the International Valuation Standards (IVS) 2022. However, regard to the reporting standards was had in order to reflect best practice

The Hospice has no intention of disposing of its investment properties and is a long term investor

Listed investments held at 31 March 2022 are as follows:

	2022 £'000	2021 £'000
<b>UK common investment funds</b>	<b>16,447</b>	11,943

At 31 March 2022, the Charity's investments comprised holdings in COIF and CAIF Charities Investment Funds. Both are managed by CCLA.

In addition to the above, the charity owns the entire issued share capital of £1 in Five Sisters Managed Services Ltd (note 10).

## 13 Debtors

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Revenue grants and fees receivable	575	776	575	776
Legacies receivable	1,484	1,405	1,484	1,405
Investment income and interest receivable	126	141	126	141
VAT recoverable	164	159	164	159
Prepayments	103	93	103	93
Amounts due from subsidiary undertaking	-	-	30	-
Other debtors	72	91	42	91
	2,524	2,665	2,524	2,665

## 14 Creditors: amounts falling due within one year

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Expense creditors	892	823	868	823
Social security and other taxes	234	223	234	223
Accruals	564	660	564	660
Deferred income	610	615	610	615
Other creditors	131	81	83	81
	2,431	2,402	2,359	2,402

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

	Group 2022 £'000
Balance as at 1 April 2021	615
Income deferred in the year	534
Income released in the year	(539)
Balance as at 31 March 2022	610

## 15 Restricted funds

The income funds of the Group and 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	2022 £'000	Mission fund £'000	Other restricted funds £'000	2021 £'000
At 1 April 2021	1,775	435	2,210	1,584	328	1,912
Income	50	1,065	1,115	36	1,183	1,219
Expenditure	-	(1,002)	(1,002)	-	(1,030)	(1,030)
Gains on listed investments	117	-	117	178	-	178
Transfers	(23)	20	(3)	(23)	(46)	(69)
<b>At 31 March 2022</b>	<b>1,919</b>	<b>518</b>	<b>2,437</b>	<b>1,775</b>	<b>435</b>	<b>2,210</b>

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 fund when incurred.



## 16 Tangible fixed assets fund

Group and Charity	2022 £'000	2021 £'000
At 1 April 2021	16,652	17,400
Capital purchases	300	322
Depreciation charge for year	(764)	(743)
Loss on disposals of assets	-	(327)
<b>At 31 March 2022</b>	<b>16,188</b>	<b>16,652</b>

## 17 Investment property fund

Group and Charity	2022 £'000	2021 £'000
At 1 April 2021	5,870	5,870
Net movement in the year	45	-
<b>At 31 March 2022</b>	<b>5,915</b>	<b>5,870</b>

## 18 Analysis of net assets between funds

Group	General funds £'000	Tangible fixed assets fund £'000	Investment property fund £'000	Restricted funds £'000	Total 2022 £'000
<b>Fund balances at 31 March 2022 are represented by</b>					
Tangible fixed assets	-	16,188	-	-	16,188
Investments	14,568	-	5,915	1,879	22,362
Current assets	4,182	-	-	558	4,740
Creditors: amounts falling due within one year	(2,431)	-	-	-	(2,431)
<b>Total net assets</b>	<b>16,319</b>	<b>16,188</b>	<b>5,915</b>	<b>2,437</b>	<b>40,859</b>
Accumulated unrealised gains included above consists of:					
- On listed investments	4,164	-	-	491	4,655
- On investment properties	-	-	4,316	-	4,316
	4,164	-	4,316	491	8,971
<b>Reconciliation of movements in unrealised gains on investments</b>					
Unrealised gains at 1 April 2021	3,277	-	4,271	374	7,922
Add: Net unrealised gains in the year	887	-	45	117	1,049
<b>Unrealised gains at 31 March 2022</b>	<b>4,164</b>	<b>-</b>	<b>4,316</b>	<b>491</b>	<b>8,971</b>

## 18 Analysis of net assets between funds

Charity	General funds £'000	Tangible fixed assets fund £'000	Investment property fund £'000	Restricted funds £'000	Total 2022 £'000
<b>Fund balances at 31 March 2022 are represented by</b>					
Tangible fixed assets	0	16,188	-	-	16,188
Investments	14,568	-	5,915	1,879	22,362
Current assets	4,114	-	-	558	4,672
Creditors: amounts falling due within one year	(2,359)	-	-	-	(2,359)
<b>Total net assets</b>	<b>16,323</b>	<b>16,188</b>	<b>5,915</b>	<b>2,437</b>	<b>40,863</b>
Accumulated unrealised gains included above consists of:					
- On listed investments	4,164	-	-	491	4,655
- On investment properties	0	-	4,316	-	4,316
	4,164	-	4,316	491	8,971
<b>Reconciliation of movements in unrealised gains on investments</b>					
Unrealised gains at 1 April 2021	3,277	-	4,271	374	7,922
Add: Net unrealised gains in the year	887	-	45	117	1,049
<b>Unrealised gains at 31 March 2022</b>	<b>4,164</b>	<b>-</b>	<b>4,316</b>	<b>491</b>	<b>8,971</b>

19 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 £467,032 (2021 – £421,914), of which £199,630 (2021 – £176,843) was employees’ contributions.

Royal London Pension Scheme

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

20 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 £537,667 (2021 – £514,539) were paid by the Charity on behalf of The Religious Sisters of Charity Charitable Trust during the year and were reimbursed
- At 31 March 2022 The Religious Sisters of Charity Charitable Trust owed the Hospice £79,882 (2021 – £89,727)

During the year, Trustees made donations to the charity totalling £nil (2021 – nil ).

There were no other related party transactions during the year (2021 – none).

21 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.

22 Operating lease commitments

At 31 March 2022, 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.

	2022 £’000	2021 £’000
Operating leases payments due:		
- within one year	22	22
- within one to two years	33	44
	55	66

The lease relates to commitment on our Retail Shop.

23 Post Year-End Events

At the time of signing off the accounts, there had been a material decline in the value of our listed investments which equates to 6% of the total portfolio value relative to the value at April 1st 2022. The funds are managed by CCLA, who have reported similar decreases across their portfolio.





St Joseph's Hospice, Mare Street, London E8 4SA

**020 8525 6000** [info@stjh.org.uk](mailto:info@stjh.org.uk)

[stjh.org.uk](http://stjh.org.uk) @stjohospice

**Advocacy Compassion Justice Quality Respect**

Charity No. 1113125



**St Joseph's Hospice**

Serving East London  
and the City