

Annual Report and Financial Statements

31 March 2023

St Joseph's Hospice, Hackney

Charity Registration No.: 1113125

Company Registration No.: 05513914 (England and Wales)

Company Limited by Guarantee



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Reports

Reference and administrative information

St Joseph's Hospice, Hackney: Trustees



Mr Paddy McGuinness
CMG, OBE, MA (Chair)



Prof. Jim McManus
BD (Hons,) OCDS,
CPsychol, CSci, AFBPsS,
FFPH, FRSB, Chartered
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Sister Rita Dawson
MBE, DL, RSC, MSc, BSc
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Dr. Una Molloy
RGN, RM, BNS (Hons),
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Margaret Doherty
BA (Hons), DEBA, MCIPR



Dr Michael Moran
Ph,D MMedSci,
MBBChBAO, BSc (Hons),
MRCS, DO-HNS



Mr Edward B McGuigan
BA, FFA, FIPA



Mr Peter Pledger

Senior Management Team

Joint Chief Executive	Tony McLean SRN, RMN, RHV, Fellow of IOD
Joint Chief Executive / Director of Clinical Services	Jane Naismith RN, QN, PGCE, BSc (Hons), MSc
Medical Director and Consultant in Palliative Medicine	Dr Andrew Tysoe-Calnon BSc, MBBS, FRCP
Director of Finance, IT & Facilities	David French FCCA, MBA (Open)
Director of Communications & Enterprise	Tracey Macbeth BA (Hons)
Director of Human Resources	Janet Simkins BA (Hons), MCIPD, MCIH
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Company Registration Number	05513914 (England and Wales)
Charity Registration Number	1113125
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Investment Managers	CCLA Investment Management Limited 80 Cheapside London EC2V 6D2
Solicitors	Stone King LLP Upper Borough Court Upper Borough Walls Bath BA1 RG Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

Chair's statement

I write at the end of a successful year of recovery and renewal at St Joseph's as we emerged more fully from the Covid-19 pandemic. The Hospice is in a far better state than I feared it might be at the height of the crisis. That is largely due to the commitment shown by our wonderful staff, volunteers and all who support and enable us to deliver our services. Our patients and their families have made their own contribution by trusting us to care for them through extraordinary days. We Trustees of St Joseph's are grateful to you all.

A key source of strength has been leadership and good governance. I am delighted that this year the Board of Trustees appointed Jane Naismith as Joint CEO, alongside Tony Mclean. Jane has served St Joseph's exceptionally as Director of Clinical Services and Registered Manager for the last five years and brings all of that insight and much more to the role.

As for Covid, let us hope, as it recedes, that it is opportune to reflect the part infection control plays in keeping patients, staff and visitors safe. With delegated responsibility for ensuring that effective infection control systems and processes are in place, I can report that we had no outbreaks during this period. This is due to good management and leadership but also support from so many who accessed the Hospice in following our guidance. We are ready if these disciplines are needed in the year ahead.

Through careful stewardship, we have again met our financial targets. This would not have been possible without support from our individual and corporate donors and all who gave up their time to raise funds for us. Without your charity and generosity, we would not have helped so many. I thank you on their and our behalf.

A priority for the Trustees has been that all activities at the Hospice further the cause of excellent care for the sick, the dying and for their families. In this, we are inspired by the five Sisters who founded the Hospice in 1905. Their Catholic Mission and Values live on in our own. Faith remains a cornerstone of our foundation. The work of a multi-faith Chaplaincy team supports people of all faiths and none, reflecting the diverse communities we are proud to serve.

The UK's ageing population mean that the need for respite, palliative and end of life care will only continue to increase over the coming years. The level of need and the delayed access to medical care seen during the pandemic looks set to become normal. This makes it ever more important that we prioritise and strengthen our provision. We look to see it at the heart of healthcare planning to ensure that high quality, accessible, patient-centred palliative and end of life care is accessible to all who need it.

God bless you.



Paddy McGuinness CMG OBE
Chair of Trustees

Message from the Joint CEOs

Together with our talented senior leadership team, staff and volunteers, we continue to deliver high quality safe compassionate care, where our patients and their families are at the heart of everything we do.


As a nation, we are facing a period of uncertainty as we recover from the fallout of the pandemic, as well as now facing the impact of the cost of living crisis. Despite these challenges, we are proud that St Joseph's has remained stable throughout. We have agreed a new block contract with our commissioners, and this provides us with five possibly seven years of financial security.

There continues to be a significant increase in the demand on our services. Year on year, we have seen a 23% increase in the number of patients admitted to IPU, external and internal referrals for day services were up by more than 30%, and the number of children supported with specialist bereavement therapy has more than doubled. The number of patients visited in their homes by the Community Palliative Care Team (CPCT) that continues to increase year on year, up by more than 30% from 2,791 in 2021-22 to 3,959 in 2022-23.

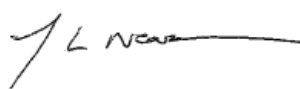
More than a third (36%) of our patients are at or below the poverty threshold – higher than the average for Greater London. Our Welfare Benefits Service received 344 referrals, representing a 40% increase compared with the previous year. St Joseph's secured benefit awards for patients and their families to the value of £651,232, as well as 47 travel concessions. It is difficult not to overstate the impact of these awards on the material circumstances of our patients and families; for many people, it is the difference between being able to live in dignity versus abject poverty.

We have continued to successfully deliver the five pillars of our strategy – Vision 2024 – whilst remaining true to our Mission and core values, and the development of Vision 2029 is well underway. Human Resources have been driving forward our People strategy with a particular focus on equality, diversity and inclusion as we strive for FREDIE accreditation. Enterprise has delivered beyond financial expectations and helps to plug some of the gaps between our income and operational costs, and Estates remains committed to strengthening the Hospice's resilience, underpinned by a Sustainability Management plan. A number of successful income-generating events and corporate sponsorships, as well as a strong legacy programme, have buoyed Fundraising, and our finance strategy ensures that we retain tight cost controls.

We have achieved so much this year against the backdrop of a challenging environment, and remain humbled by the professionalism and commitment demonstrated day-in and day-out by our staff and supporters.



Tony McLean
Joint Chief Executive



Jane Naismith
Joint 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 2023. 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 page 33 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 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 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 £6million a year just to meet our existing operating costs and commitments. This funding comes from the legacies, donations, and other fundraising initiatives that we undertake. We owe a significant debt 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 in Hackney in 1905 by The Religious Sisters of Charity, 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 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 value-added efficiency and effectiveness.

Objectives and activities

Charitable objectives and 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 are 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 4, 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. Our leadership team, ensuring that we remain on track to deliver our goals, drives each of the plan's five pillars – Patients, People, Enterprise, Estates, and Funding and Fundraising –.

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 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 remains high. During the last twelve months, we recorded a total of 5,801 patient contacts. This includes bereavement contacts and 4,483 external referrals from the geographies we serve.

The number of Day Hospice appointments is up by 10% to 872 compared with the previous year (792). Opening times, capacity, volunteer participation, and the events and activities programme have been fully restored following the post-Covid period.

The volume of patient contacts made by the Community Palliative Care Team (CPCT) including bereavement was 17,559, up on the previous year's figure of 16,095, representing an increase of 12%. The number of patients visited in their homes by CPCT increased exponentially from 2,791 last year to 3,959 this year – a huge increase of 43%.

The number of internal and external referrals to all four adult bereavement services from all areas continues to increase year on year, with 2,112 in 2022-23 compared with 1,899 in 2021-22 and 1,554 in 2020-21. Also of note is the increase (987 compared with 872 in the previous year) in the number of people referred to Psychological Therapies for counselling across all areas.

Bed occupancy has increased year on year from 48% last year to 52% in 2022-23. Of the patients admitted, 34% 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, more than three quarters (80%) of patients died in their preferred place.

100% of inpatient and 94% of CPCT contacts with patients took place within one day.

The Hospice serves ethnically and culturally diverse communities and, over many years, we have developed a fully inclusive approach in the supporting members of those communities, especially those who may have not traditionally having 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 (57%) of service users identify as BAMER, there is an increasing bias to females (62% female, 35% male, 3% not stated), and the two predominant stated religions are Christian and Muslim. Of all people recorded annually who have stated their date of birth, approximately a third (30%) are under the age of 50.

Just over a third (36%) of patients are on or below the poverty line. Almost half (49%) of the patients referred to us had a non-cancer diagnosis, compared with 35% in 2021-21 and 44% in 2019-20.

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.

People

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

Looking after the welfare of our staff and volunteers remains a key priority as we move away from COVID to COVID recovery, whilst we continually survey the landscape to make sure our staff and volunteers remain safe. Our wellbeing emphasis has shifted towards developing a response to the cost of living crisis. We have developed our offering in terms of interest free work place loans promoting our popular benefit Hub, the cycle to work scheme as well as NHS Santander Cycle scheme. Our staff are also able to access the Blue Light Card. We also continue to invest in our Employee Assistance programme, which is available to all staff.

As the CEO prepares to retire, a Joint CEO has been appointed from within the organisation to work alongside him. We are therefore referring to the Joint CEO's in this report, using the newly developed Succession and Progression policy as a model for succession planning and talent management.

This year we have undertaken a great deal of work to develop our approach to equality, diversion and inclusion - EDI - as we seek to gain accreditation as a FREDIE (**F**airness, **R**espect, **E**quality, **D**iversity, **I**nclusion and **E**ngagement) organisation. We have re-badged everything we do for EDI as FREDIE and have strengthened the FREDIE committee and the five networks that support it.

We enjoyed Speak up Month during which individuals and teams made a number of pledges to support a culture of speaking up together with our popular word search competition. We combined these themes with those of Black History month, which is a well-established and popular celebration in the Hospice. This year also saw the marking for the first time of a complete programme for LGBTQIA+ History Month. We welcomed a number of speakers who spoke to the experience and some of the challenges of being LGBTQIA+ including from a patient care perspective. We also updated our Trans Equity Policy and received training around the specific issues facing Trans People and patients in particular.

Also in terms of the FREDIE work, the hospice held a series of Action Learning Enquiry sessions on the subject of the menopause in preparation for developing a policy suite and advice to managers in order to support their staff.

Ever mindful of the debt of gratitude owed by the Hospice to the Jewish community, this year we were able to mark Holocaust Memorial Day in person. Led by our Rabbi, it was an opportunity to give thanks for the generosity of the Jewish community towards the Hospice as well as to mark the Shoah (Holocaust), taking the themes of ordinary people and Light the Darkness identified by the Holocaust Memorial Trust.

Training, Education and Development

Our Institute of Leadership Management (ILM) approved management development programme continues to run. Currently there are 20 managers actively engaged with the programme. The Hospice maintains its high standard of compliance with statutory and mandatory training at 95%.

We have returned to completing our Mental Health First Aid programme and have added a Suicide First Aid programme to it. We have commissioned new FREDIE training to support our work to embed it as a core part of the way we work. This has been welcomed by staff, and in the coming year we will run specialist training for Managers, the Senior Team and Trustees.

On the advice of CQC and with the support of our Learning Disabilities Network, we have introduced Oliver McGowan training which highlights the particular needs and experiences of people with learning disabilities and autism.

Staff engagement and voice

We have continued to embed our one staff concept; many of these activities such as the Annual Service Awards, “Above and Beyond” Awards, Staff Love at St Valentine’s Day, Easter and Christmas, Christmas celebrations, celebrating the Hospice’s birthday, and St Joseph’s Day, are core activities in the life of St Joseph’s Hospice.

This year also saw the first staff BBQ with the senior team donning chef’s jackets and operating the flames to serve staff.

Engaging staff in two-way communications is extremely important so that everyone has the opportunity to contribute to Hospice life. We are actively developing plans for the coming year to develop further joined up working between the SMT and service leads. We are also piloting a “values in action” programme for each team to roll out in the coming year.

News is communicated regularly by our Joint CEOs who hold CEO Clinics every two months. A FREDIE Bulletin has joined the quarterly CEO Bulletins, SMT surgeries, and the quarterly People Bulletin. News is also distributed through our intranet and email system, and heads of department are sent a weekly summary of key SMT discussion points.

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.

Freedom to Speak Up

We currently have 12 Freedom to Speak Up Champions, and seven more staff are being trained. The Champions report into the Guardians who have oversight of clinical and non-clinical concerns. We are pleased to see that a culture of speaking up is permeating the Hospice.

The two Freedom to Speak Up Guardians who represent the Hospice to the Office of the National Guardian, continue to chair the Hospice Freedom to Speak Up Network. We have been delighted to welcome the National Guardian Dr Jayne Chidgey-Clark to our meetings. Dr Chidgey-Clarke is a registered nurse with a PhD in end-of-life care and as such has a special interest in Hospice care.

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. This assists with our ongoing strategy to find new ways 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 commercial 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 the rooms on the second floor have been rented on a licence basis to therapists.

We continue to host the lymphoedema service that we welcomed towards the end of the 2020 financial year and which relocated 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.

Additionally, in 2022 we took over responsibility for the management of a neighbouring Hospice-owned building from the previous long-term leaseholder. We successfully retained the two incumbent tenants and secured a third, meaning that the building is 100% occupied.

We have benchmarked our rent rates against similar local businesses and, despite the prevailing economic downturn, have succeeded in comfortably exceeding targets, and have retained all of our licence and leaseholders.

We have experienced a very successful year for our Retail portfolio, and all of our shop units have recovered from the periods of closure experienced during the peak of the pandemic. Our flagship shop on Mare Street opposite the Hospice is firmly established and attracts a number of regular customers, and the pop up shop in nearby Well Street continues to sell low-cost goods to its local population. We still retain two rent-free pop up units adjacent to our Mare Street shop, which are branded as Five Sisters® Home to sell donated furniture, with the second positioned as Five Sisters® Books.

In addition to our shops and as part of our Mission, we hold regular 'pound sales' in order to sell low-cost goods to the local community, participate in local vintage and pop-up markets,

and maintain a presence at Broadway Market when space is available. We continue to be extremely grateful to the local community for their support and generous good quality donations.

Looking ahead to 2023-24, we plan to further extend our retail portfolio, aiming to open two to three additional shops in our core boroughs.

We established a partnership with Mildmay Mission Hospital to provide on-site accommodation on a licence basis to key workers who they were recruiting from overseas. As well as supporting a local healthcare provider, this new initiative has created an additional Enterprise income stream.

Five Sisters® Managed Services – the separate company established in November 2021 as a platform to provide commercial services to external organisations – continues to successfully provide a full catering service to another hospice. Results will be reported separately in Five Sisters® Managed Services accounts.

Estates and IT

The Estates team comprises our hard and soft facilities and the gardens. Our teams have once again been very busy supporting the clinical team by maintaining and improving the environment. The Housekeeping staff and portering staff ensure, amongst other things, the Hospice is kept clean and patients meals arrive on the wards fresh and on time. We have fantastic gardens which are managed throughout the year, including our fish pond, which is always a focal point of the main garden.

The focus of the Estates strand of Vision 2024 continues to be to 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 or refurbishing parts of the Hospice site for commercial purposes, as well as maintaining them to a high standard.

Our approach to energy, environment and sustainability is underpinned by a Sustainability Management plan, incorporating a site energy survey. This year in particular has seen a focus on capital expenditure which produces energy savings to deliver financial benefits as well as environmental savings – and this included installation of LED lighting across the Hospice as well as new boilers in St Patricks Wing.

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 Wing, 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.

Based on the positive impact we have had from the initial solar panel installations, we are now building on that success by installing additional panels to increase our generation levels. The long-term goal is to install some batteries for storage that will enable the Hospice

to use up stored energy during peak times and connect back into the grid at night-time when the unit rates P/Kw are significantly cheaper.

As part of our ongoing sustainability strategy, we have commissioned the installation of new energy efficient radiators Hospice-wide, along with local Temperature Modulating Valves (TRV) and zone valves on various floors. This will also contribute towards our reduction in energy cost (Gas) and will allow for better controls of our heating systems.

We have also fully installed and commissioned a new hydraulic lift in Providence Wing that will have a direct impact on the Day Hospice and Physiotherapy Team's clinical services. The design intent of the new lift was also driven by our long-term ambition to reduce energy consumption. The new lift is energy efficient and will provide additional resilience to the Centenary building in the event of any breakdown of the other two main lifts.

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 was particularly highlighted during the pandemic. To help alleviate some of the stresses and as part of our sustainability strategy, our roof garden on the fourth floor of Centenary Wing is 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.

Our commitment to staff and visitor welfare is further evidenced by a programme to upgrade our changing rooms, one of which has been completed, further evidences our commitment to staff and visitor welfare. Additionally, the creation of a Visitors Dining Room gives our visitors some private space if they want to use it.

We finished the year outside with plans to improve the pedestrian access into The Hospice and by entering the annual Open Garden event, which will give the public an opportunity to have a look around our excellently maintained gardens – another feature of which we are so proud.

IT ensures that our systems function effectively and securely 24/7. IT works closely with all the other departments and drives a strategy designed to ensure key systems, such as our patient administration, has a very high uptime and is accessible not only to staff within the Hospice, but those community based activities.

Energy and carbon reporting

The Hospice continues to be engaged in a process aimed at reducing our greenhouse gas emissions.

St Joseph's incurs scope 1 and 2 emissions (natural gas and electricity) on our main site and in our shops and we have a longstanding commitment to tackling climate change and reducing carbon emissions. In recent years, we have taken numerous steps to reduce consumption including the solar panels, LED lighting and replacement boilers.

Our calculated carbon footprint for the current financial year is 1,259 metric tonnes and is based on total energy consumption of 3,516MWh.

Our CO2 per FTE shows a 12% reduction to 5.74 tonnes per FTE, demonstrating that our energy saving measures are having a positive impact.

The data in the below table has been calculated using the calculation tools provided by the Greenhouse Gas Protocol (GHG) and the principles of the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard (Revised Edition).

UK Emissions and Energy Use data for period 1st April to 31st March		
	2022/23	2021/22
Energy Consumption		
• Electricity	918,957	1,121,708
• Gas	2,597,245	2,352,617
Total Consumption (kWh)	3,516,202	3,474,325
Direct Energy Emissions		
• Electricity	781.11	953.45
• Gas	477.56	432.58
Total Emissions (Metric Tonnes)	1,258.67	1,386.03
Intensity Ratio metric: Tonnes CO2 per Staff FTE per annum	5.74	6.47

Funding and Fundraising

St Joseph's Hospice is committed to responsible fundraising complying with the regulatory standards for fundraising, and to ensuring that our fundraising is delivered in a manner consistent with our values. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. Any third-party agencies we use for the purpose of our fundraising are contractually obliged to adhere to the relevant codes of practice.

When the Covid-19 pandemic hit our shores in 2020 all face-to-face fundraising activity ceased. We observed the revised guidelines for face-to-face fundraising activity as set out in the fundraising code of practice and when these activities re-started our training reflected changes to existing rules, to protect our supporters and our professional fundraisers.

We appointed a new third-party provider to conduct face-to-face activity during 2022-23 and this relationship will continue into 2023-24. Our relationship with a third-party to support legacy administration continues.

We complete an annual complaints return for the fundraising regulator of fundraising complaints reported was four.

St Joseph's Hospice does not share any of its supporter data with other charities or companies unless we have a data-sharing agreement allowing us to do so. Our legal basis is 'legitimate interest' for new supporters who have provided us with an address or telephone number. We regularly review supporter journeys to ensure we protect potentially vulnerable supporters and to address process improvements following supporter feedback.

This year saw the Fundraising team begin to implement a new fundraising strategy, developed in the aftermath of the pandemic with a focus on rebuilding and growing post pandemic.

We identified five key pillars to our success.

- Income Generation – working smarter to ensure better returns on investment and to invest in key areas to ensure long term, sustainable income
- Supporter Focused – putting supporters at the heart of our fundraising and building long term relationships
- Internal Relationships – be part of the planning process and work strategically to identify funding needs
- Marketing and Communications – develop better storytelling to be able to show need and impact and expand digital opportunities
- Team – ensure we have the right resources and structure to deliver our goals and invest in staff engagement and development

The first year of our new strategy has been mixed as we have struggled to recruit to key roles in the team and the cost of living crisis began to impact on our donors. Despite this, we were able to see some notable successes across the year;

A successful test of face-to-face fundraising initiative saw us double the number of people giving a regular gift in our first year, growing income by 35%.

We were lucky enough to be one of the Speaker of Hackney's charities of the year – raising more than £11,000 for the Hospice through various events and activities.

In May 2022, we launched a new event – Flowers of Celebration – where people can purchase a ceramic flower in memory of a loved one. We held a beautiful and relaxed celebration day in September where the flowers were on display, and those who attended found it very meaningful.

The same month, a team of 50 brave souls took on the Hackney Half, raising more than £30,000. The route took the participants straight past the Hospice gates, where we were able to cheer them on.

In September 2022, 100 of our most dedicated supporters took to the streets of East London in our annual Great East End Walk – taking in the sights and donning their flat caps – raising over £35,000.

In December 2022, we were able to hold our first in person Light up a Life service outside since the start of the pandemic. It was a particularly cold night, but more than 250 people braved it to attend the service and see the Christmas tree lights turned on. More than £45,000 was donated as a result.

Across the year, more than 60 people attended our quarterly Will Writing Workshops in order to learn more about will writing and estate planning.

We acknowledge the support of many 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 Rayne Foundation for supporting the development of the Namaste Care East London Project, the Boshier-Hinton Foundation for enabling us to purchase walking aids for our patients, and the St John Southworth Fund for their support of our Compassionate Neighbours programme.

Hospices Finances

Our financial operating position has been solid this year considering the challenges from an early stage in the year, when we faced a six-fold increase in our electricity prices from September 2022, but with the government support plus good contract planning, we managed to limit this to three-fold, which was still more than a £300k increase.. In addition to this, the Board approved an above budget pay award of £1,400 to every staff member from October 2022, which for our lowest paid staff, was an increase of around 7%. Of course, these increases were unforeseen when the budget was approved and combined, gave us a cost pressure of around £500k. To help mitigate this, the SMT implemented a plan to manage staffing costs, promising no compromise on our quality. This has been achieved and reflected in the year-end position.

Our commissioners agreed to uplift our ICB contract at the national level, which demonstrates their confidence in us. They also notified us of their intention to renegotiate a new contract, which is well overdue and this was successfully concluded before year-end, with a new five year contract at a similar value. We believe that the negotiation demonstrates our commissioners' satisfaction with our service and they willingness to work with us as leaders of palliative care provision across East London. The discussions were enlightening and there is much common ground, which is encouraging for the future.

Donations were up on the previous year, which is unsurprising as we continue to recover from Covid19. However, income from events continues to suffer. Fundraising launched a campaign to increase the numbers of individual donors during the year, although this won't

yield a return for at least a year. Legacies continue to recover towards their pre-Covid rates and we reported an increase of around £0.5 million on the previous year. The general synopsis for legacies is uncertain and income can often be irregular – hence our continual aspiration to develop new income streams in order to mitigate against potential declines in traditional Fundraising income.

During the year, the Trustees approved an increased capital expenditure plan, partly to mitigate the increased cost of energy, but also to further expedite our green strategy. New boilers were installed as well as LED lighting across the Hospice. Our overall capital expenditure doubled compared to previous years, and as previously noted, it was a busy year for Facilities, but they achieved a great deal.

The balance sheet remains strong with general funds continuing to be healthy and exceeding the Trustees de-minimis level by several months. It should be noted that this buffer enable the Hospice to remain a leader in palliative care because we have worked hard to manage financial pressures. We would never rest on our laurels regarding our reserve levels, but promote healthy reserves as an enabler for outstanding care.

Our plan to reduce cash balances continued during the year and as well as the investment in new capital, we were able to invest over a million into CCLA. Performance of listed investments was the one blip in our finances during the year as they ended almost £700k down on the same time last year. This follows a sustained period of growth in previous years, so is not significant for Hospice finances and at one stage, the deficit was £1.1 million, so there have been signs of recovery.

We remain proud of the ability to pay suppliers in time and there are no debt collection issues. The largest debtor is from legacies, but this is purely a reflection of the accounting rules on recognition - cash receipts from legacies are reasonably steady so the debtor value hasn't changed significantly during the year.

By 31st March 2023, Five Sisters Managed Services Limited had been trading for nearly eighteen months. Whilst we consider expansion opportunities, our main client has expressed great satisfaction with the quality of service provided, whilst the venture has delivered at profit.

The Finance team has been busy implementing a new accounting software during the year which will be able to further improve the service provided to our clinical colleagues. We are aware of our responsibilities in contributing to good patient care, primarily through excellent financial management, but also by maintaining good working relationships that enable us to respond to user needs speedily.

Reserves Policy

The Trustees have set a minimum free reserves target of nine months operating expenditure. Included in their consideration are the winding up costs of the organisation which have been calculated at around six months.

At current expenditure levels, nine months expenditure represents £10.8 million. 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.

Investment Policy

In year, the general fund value reduced mainly due to a decline in listed investments. However, the overall position of that fund is not considered a key risk.

- **Listed Investments Income.** The policy aims to deliver a 2.8% annual income yield per annum and this was achieved, with £510k income representing 3%.
- **Listed Investment Capital Growth.** Due to factors outside our control, the capital value of the investment fund declined this year. This fund looks for long-term growth and we have outstripped this in the long-term so at this stage, there is no cause for concern, although we recognise that 2023/24 may continue to be a difficult year, with the policy seeking to maintain the capital value of our portfolio by at least matching inflation.
- **Income from Investment Property.** The £608k income slightly exceeds the policy target of 10%.

There were no material changes to our investments during the year. We invested a further £750k in CCLA fund and this is managed in accordance with our policy. Occupancy of our investment property remains high and very stable.

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 (2021-2022: no remuneration).

The note on page 41 confirms that there were no Trustee expenses paid during the year.

Risk management

The Senior Management Team 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 and our Health & Safety Coordinator ensures that risk assessments and learning are a normal part of our operations.

We work closely with PIB, our insurance brokers to ensure that our health and safety processes are aligned with our insurer's guidance.

We are reviewing our Business Continuity Plan to help identify and mitigate risk at an organisational level and using that to inform some of our departmental strategies.

Our corporate risk register has identified the four highest risks:

1. Temporary failure of a key IT system meaning we are unable to support 24/7 care. To mitigate this risk, we have a back-up system for our telephones which will be triggered if the main lines go down. Our clinical patient administrative system has third-line support to monitor server integrity and our IT department has an out of hours on-call system, supported by second-line support to ensure 24/7 support is available.
2. An Outbreak of an infectious disease reducing our capability to see patients. We have systems in place that include hand-washing audits, isolation procedure and outbreak plan. Infection Control training is mandatory.
3. To protect against cyber and virus attacks, in addition to standard anti-virus protection, we have regular training and phishing monitoring in place. We regularly send controlled emails to test whether staff are compliant and where not, re-training is mandatory.
4. One of the biggest current problems across healthcare is staff recruitment and retention and it is no different at The Hospice. We are continually considering our options to improve staff benefits, which includes pay rises, group life insurance and a range of other benefits. Other risk mitigation involves staff wellbeing and we promote a healthy work-life balance to demonstrate our commitment to staff, especially in times of need through EAP, financial support and flexible working. This does seem to work as we give out a significant number of long-service awards, but are mindful that we are adjacent to many NHS organisations, who may be able to offer higher pay.

Whilst these strategies have had some success and we have a significant number of staff who have worked at the hospice for more than 5 years, being an employer of choice is particularly challenging as our colleagues in the local healthcare employment market are paid at higher rates.

Financial sustainability

Reserves are healthy, and our long-term sustainability was given a boost when the North East London ICB announced its intention to re-commission our services on a new contract, starting April 2023.

That boost will not make us complacent and we will continue to focus on developing Enterprise and Fundraising to diversify and secure income streams.

Equally we have focus on our expenditure base to ensure our recurrent cost base does not become unsustainable.

Modelling of decreases in income and increases in expenditure demonstrates that we have a reasonably healthy buffer against quite extreme changes over a few years. This is reassuring as obviously we would react to changes if they appear to be prolonged.

The 2022/23 has tested this to some extent, where we have been faced with a £0.8M additional cost pressure, yet have managed to end the year with a small overall deficit. The Trustees have enabled a pragmatic approach to addressing our budgetary deficit by allowing us to implement a two-year programme back to balance.

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 we run outpatient clinics in Newham. 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 Clinical Services and the CEO is the Responsible Individual for Care Quality Commission registration purposes.

Trustees

The Trustees listed on page 3 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 2023 and up to the date on which this report was approved are shown below.

Directors

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 MBBChBAO BSc (Hons) MRCS DO-HNS
Mr Peter Pledger (Treasurer)
Sister Jackie Doherty (Resigned 15 th November 2022)

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 Chief Executive. In order to keep Board members informed about the charity's ongoing work, the Board receives reports from senior staff members as required. Moreover, 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

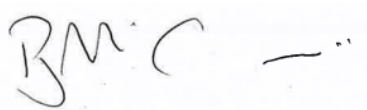
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Charity and hence 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 integrated in accordance with the provisions of s418 of the Companies Act 2006.

Signed on behalf of the Trustees:

A handwritten signature in blue ink, appearing to read 'BMC', followed by a horizontal line and a small mark.

Trustee

Date of approval: 12th September 2023

Independent Auditors Report to the Member of St Joseph's Hospice, Hackney

Opinion

We have audited the financial statements of St Joseph's Hospice, Hackney (the Charitable Company and its subsidiary (the group')) for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the Group and Charity balance sheets, the consolidated statement of cash flows, the charity statement of financial activities, 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 2023 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 requirement.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept or
- The financial statements are not in agreement with the accounting records and returns or
- Certain disclosures of Trustees' remuneration specified by law are not made or
- We have not received all the information and explanations we require for our audit

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

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

- Making enquiries of management and representatives of those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations
- To address the risk of fraud through management bias and override of controls, we:
- Performed analytical procedures to identify any unusual or unexpected relationships
- Tested and reviewed journal entries to identify unusual transactions
- Performed substantive testing on expenditure including the authorisation thereof
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and
- Investigated the rationale behind significant or unusual transactions

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditors-responsibilities. 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

27 October 2023

Financial statements

Consolidated statement of financial activities Year to 31 March 2023

		Unrestricted funds	Restricted funds	2023 Total funds	Unrestricted funds	Restricted funds	2022 Total funds
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Income and Expenditure							
Income From:							
Donations and legacies	1	3,873	20	3,893	3,457	143	3,600
Other trading activities:							
Charity shops		185	-	185	71	-	71
Five Sisters Managed Services Ltd		240	-	240	97	-	97
Investments and bank deposits	2	1,063	55	1,118	934	50	984
Charitable activities	3	8,853	405	9,258	8,663	921	9,584
Miscellaneous Income		29	-	29	24	1	25
Total income		14,243	480	14,723	13,246	1,115	14,361
Expenditure on:							
Raising funds:							
Costs of generating donations & legacies	4	930	-	930	775	-	775
Costs of trading							
Charity Shops	4	121	-	121	71	-	71
Investment property costs		104	-	104	41	-	41
Five Sisters Managed Services Ltd		203	-	203	87	-	87
Charitable Activities							
Hospice inpatient care	5	8,292	270	8,562	7,989	657	8,646
Hospice outpatient and day services	5	1,147	10	1,157	900	8	908
Community palliative care services	5	2,132	82	2,214	1,932	311	2,243
Psychosocial and bereavement services	5	740	38	778	753	26	779
Education, training and research	5	301	-	301	237	-	237
Patient café and dining room	5	32	-	32	26	-	26
Total expenditure		14,002	400	14,402	12,811	1,002	13,813
Net Income before Investment gains and transfers		241	80	321	435	113	548
Net (Losses)/gains on investments	12	(325)	(75)	(400)	932	117	1,049
Net income before transfers		(84)	5	(79)	1,367	230	1,597
Transfers between funds	15	47	(47)	-	3	(3)	-
Net income and net movement in funds	7	(37)	(42)	(79)	1,370	227	1,597
Reconciliation of funds							
Balances brought forward at 1 April 2022		38,422	2,437	40,859	37,052	2,210	39,262
Balances carried forward at 31 March 2023		38,385	2,395	40,780	38,422	2,437	40,859

Charity statement of financial activities Year to 31 March 2023

	Notes	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
Income and Expenditure							
Income From:							
Donations and legacies	1	3,873	20	3,893	3,457	143	3,600
Other trading activities:							
Charity shops		185	-	185	71	-	71
Investments and bank deposits	2	1,063	55	1,118	934	50	984
Charitable activities	3	8,886	405	9,291	8,678	921	9,599
Miscellaneous Income		29	-	29	23	1	24
Total income		14,036	480	14,516	13,163	1,115	14,278
Expenditure on:							
Raising funds:							
Costs of generating donations & legacies	4	930	-	930	775	-	775
Costs of trading							
Charity Shops	4	121	-	121	71	-	71
Investment property costs		104	-	104	41	-	41
Charitable Activities							
Hospice inpatient care	5	8,292	270	8,562	7,989	657	8,646
Hospice outpatient and day services	5	1,147	10	1,157	900	8	908
Community palliative care services	5	2,132	82	2,214	1,932	311	2,243
Psychosocial and bereavement services	5	740	38	778	753	26	779
Education, training and research	5	301	-	301	237	-	237
Patient café and dining room	5	32	-	32	26	-	26
Total expenditure		13,799	400	14,199	12,724	1,002	13,726
Net Income before Investment gains and transfers		237	80	317	439	113	552
Net gains / (Losses) on investments	12	(325)	(75)	(400)	932	117	1,049
Net income before transfers		(88)	5	(83)	1,371	230	1,601
Transfers between funds	14	47	(47)	-	3	(3)	-
Net income and net movement in funds	7	(41)	(42)	(83)	1,374	227	1,601
Reconciliation of funds							
Balances brought forward at 1 April 2022		38,426	2,437	40,863	37,052	2,210	39,262
Balances carried forward at 31 March 2023		38,385	2,395	40,780	38,426	2,437	40,863

All of the Group and Charitable Company 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 2023

	Notes	Group		Charity	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed Assets					
Tangible assets	11	16,022	16,188	16,022	16,188
Investments	12	22,712	22,362	22,712	22,362
		38,734	38,550	38,734	38,550
Current assets					
Stocks		35	31	30	31
Debtors	13	2,021	2,524	1,981	2,524
Short term deposits		1,882	1,982	1,882	1,982
Cash at bank and in hand		182	203	163	135
		4,120	4,740	4,056	4,672
Creditors: amounts falling due within one year	14	(2,074)	(2,431)	(2,010)	(2,359)
Net Current assets		2,046	2,309	2,046	2,313
Total net assets		40,780	40,859	40,780	40,863
The funds of the charity:					
<i>Income funds</i>					
Restricted funds	15	2,395	2,437	2,395	2,437
Unrestricted funds					
. General funds		16,168	16,323	16,168	16,323
. Tangible fixed assets fund	16	16,022	16,188	16,022	16,188
. Investment property fund	17	6,195	5,915	6,195	5,915
. Non-Charitable trading funds	10	-	(4)	-	-
		38,385	38,422	38,385	38,426
		40,780	40,859	40,780	40,863

Approved by the Trustees and signed on their behalf by:



Trustee

Date of approval: 12th September 2023

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

Statement of cash flows Year to 31 March 2023

		Group		Charity	
		2023	2022	2023	2022
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by (used in) operating activities	A	153	500	202	432
Cash flows from investing activities					
Investment income and interest received		1,118	984	1,118	984
Purchase of tangible fixed assets		(642)	(300)	(642)	(300)
Acquisition of Investments		(750)	(3,500)	(750)	(3,500)
Net cash used in investing activities		(274)	(2,816)	(274)	(2,816)
Change in cash and cash equivalents in the year		(121)	(2,316)	(72)	(2,385)
Cash and cash equivalents at 1 April 2022	B	2,185	4,501	2,117	4,501
Cash and cash equivalents at 31 March 2023	B	2,064	2,185	2,045	2,117

Notes to the statement of cash flows for the year to 31 March 2023

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

	2023 £'000	2022 £'000	2023 £'000	2021 £'000
Net movement in funds (as per the statement of financial activities)	(79)	1,597	(83)	1,601
Adjustments for:				-
Depreciation charge	808	764	808	764
loss/(Gains) on investments	400	(1,049)	400	(1,049)
Investment income and interest receivable	(1,118)	(984)	(1,118)	(984)
(Increase) / Decrease in stock	(4)	3	1	3
Decrease in debtors	503	140	543	140
(Decrease)/Increase in creditors	(357)	29	(349)	(43)
Net cash provided by (used in) operating activities	153	500	202	432

B Analysis of cash and cash equivalents

	2023 £'000	2022 £'000	2023 £'000	2021 £'000
Cash at bank and in hand	182	203	163	135
Short term deposits	1,882	1,982	1,882	1,982
Total cash and cash equivalents	2,064	2,185	2,045	2,117

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.

These financial statements have been prepared for the year to 31 March 2023 with comparative information presented for the year to 31 March 2022.

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 fair value of investment properties
- The methodology used in 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.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption continues to be 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.

Having weathered the pandemic relatively intact, the major factors of going concern are the ongoing impact of the cost of living challenges; the cost of healthcare provision, shortage of nursing staff and the energy prices. The clearest indicator of our ongoing viability is the confidence the North East London ICB has in St Joseph's, demonstrated by signing of a new palliative care contract for five years, with an option to extend for two further years.

The work we have done around Enterprise continues to mitigate for reductions in Fundraising income and Legacies and our expenditure base remains well managed.

Financial modelling demonstrates a high level of resilience to significant reductions in income, even for more than one year, and consequently, the Trustees are confident that the organisation is a going concern.

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 and the costs of managing our investment properties. 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

- **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

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 with the assistance of independent professionals, with 72-74 Mare Street having been valued in March 2023.

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.

Stock

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.

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.

Notes to the financial statements

1. Income from: Donations and legacies

Group and Charity	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Donations	1,265	20	1,285	1,051	143	1,194
Donations of cremation fees received	10	-	10	10	-	10
	1,275	20	1,295	1,061	143	1,204
Legacies	2,598	-	2,598	2,396	-	2,396
Total funds	3,873	20	3,893	3,457	143	3,600

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 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
			-			
Income from listed investments						
UK common investment funds	424	55	479	374	50	424
Rental income from investment properties	608	-	608	546	-	546
Bank interest	31	-	31	14	-	14
Total funds	1,063	55	1,118	934	50	984

3. Income from: Charitable activities

Group	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Statutory grants and service agreements						
Clinical Commissioning Groups	8,602	325	8,927	8,452	753	9,205
Grants receivable - Big Lottery	-	-	-	-	63	63
Other grants and service level agreements	25	80	105	6	105	111
Fees for education services and room hire	94	-	94	69	-	69
Residencies and other rental income	65	-	65	61	-	61
Income from provision of catering, newspapers and books	67	-	67	75	-	75
Total funds	8,853	405	9,258	8,663	921	9,584

3. Income from: Charitable activities

Charity	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Statutory grants and service agreements						
Clinical Commissioning Groups	8,602	325	8,927	8,452	753	9,205
Grants receivable - Big Lottery	-	-	-	-	63	63
Other grants and service level agreements	25	80	105	6	105	111
Fees for education services and room hire	127	-	127	84	-	84
Residencies and other rental income	65	-	65	61	-	61
Income from provision of catering, newspapers and books	67	-	67	75	-	75
Total funds	8,886	405	9,291	8,678	921	9,599

4. Expenditure on: Raising funds

Group and Charity	Direct costs £'000	Support costs (note 6) £'000	Total 2023 £'000	Direct costs £'000	Support costs (note 6) £'000	Total 2022 £'000
Staff costs	544	-	544	433	-	433
Other direct costs	269	-	269	217	-	217
Support costs	-	238	238	-	196	196
Total funds	813	238	1,051	650	196	846

5. Expenditure on: Charitable activities

Group and Charity	Direct costs £'000	Support costs (note 6) £'000	Total 2023 £'000	Direct costs £'000	Support costs (note 6) £'000	Total 2022 £'000
Hospital inpatient care	6,367	2,195	8,562	6,266	2,380	8,646
Hospice outpatient and day services	825	332	1,157	637	271	908
Community palliative care services	1,681	533	2,214	1,660	583	2,243
Psychosocial and bereavement services	597	181	778	584	195	779
Education, training and research	240	61	301	193	44	237
Patient café and dining room	32	-	32	26	-	26
Total funds	9,742	3,302	13,044	9,366	3,473	12,839

6. Support costs

	2023 £'000	2022 £'000
Group and Charity		
Staff costs	1,834	1,471
Recruitment and training	251	175
Services contracted out	64	25
Consumables	34	87
Maintenance and running costs	515	587
Depreciation	808	764
Office expenses	462	535
Auditors remuneration	45	25
Total funds	4,013	3,669

Support costs are allocated 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:	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Staff costs (note 8)	10,811	10,429	10,729	10,393
Auditors remuneration				
.Current year audit fees	27	18	25	18
.Prior year audit fees	14	7	14	7
.Fees for VAT advice	6	-	6	-
Depreciation	808	764	808	764
Operating lease rentals	33	22	33	22

8. Staff costs and trustees' remuneration

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Staff costs during the year were as follows				
Wages and salaries	8,917	8,502	8,853	8,474
Social security costs	969	858	964	856
Pension costs	553	586	550	584
	10,439	9,946	10,367	9,914
Seconded and agency staff	372	483	362	479
	10,811	10,429	10,729	10,393

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

Group and Charity	2023	2022
£60,001 - £70,000	7	5
£70,001 - £80,000	2	3
£80,001 - £90,000	4	-
£90,001 - £100,000	-	1
£100,001 - £110,000	2	-
£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 were made to money purchase schemes in respect of six employees (2022 – five employees), and to defined benefit schemes in respect of nine employees (2022 – four employees).

Total employer contributions to pension schemes in respect of such employees during the year amounted to £128,616 (2022 -£74,913).

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 £625,842 (2022 – £644,565)

No Trustees received any remuneration during the year (2022 – £nil) and no expenses were reimbursed to Trustees (2022 – £nil). The average number of employees during the year, analysed per function, was as follows:

	2023	2022	2023	2022
	Full time equivalent	Full time equivalent	Average Headcount	Average Headcount
Raising funds	13	10	14	12
Hospice inpatient care	135	137	157	160
Hospice outpatient and day services	10	8	13	12
Community palliative care services	15	16	16	17
Psychosocial and bereavement services	10	10	22	23
Education and training	3	2	4	3
Hospice Catering	6	6	7	8
Support and administration	27	25	29	28
	219	214	262	263

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 2023, the amount payable was £28,506 (2022 –£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 2023 and comparative results for the period from October 2021 to March 2022 are set out below.

	Five Sisters® Managed Services Ltd	
	2023	2022
	£'000	£'000
Turnover	240	97
Cost of Sales	(60)	(56)
Gross Profit.	180	41
Administrative expenses	(147)	(45)
Operating Profit/(loss)	33	(4)
Gift Aid	(29)	
Profit/(loss) for the year	4	(4)
Accumulated profit/(loss) at 31 March 2023	-	(4)

As at 31st March 2023, the subsidiary had retained profits of £0 (2022: retained losses of £4k) and called up share capital of £1 (2022: £1)

11. Tangible fixed assets

GROUP AND CHARITY		Freehold land and buildings £'000	Major building refurbishment £'000	Furniture, equipment and motor vehicles £'000	Total £'000
At cost or deemed cost					
At 1 April 2022		16,039	2,628	2,819	21,486
Additions		-	162	480	642
At 31 March 2023		16,039	2,790	3,299	22,128
Depreciation					
At 1 April 2022		2,308	1,382	1,608	5,298
Charge for the year		231	260	317	808
At 31 March 2023		2,539	1,642	1,925	6,106
Net book value					
At 31 March 2023		13,500	1,148	1,374	16,022
At 31 March 2022		13,731	1,246	1,211	16,188

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 £64k (2021/22 – £101K) relating to more solar panels.

The organisation had spent £74k on scoping for a new ward refurbishment. The costs are held in prepayments as no decision has been made on whether to proceed with the project.

12. Investments

GROUP AND CHARITY	Investment property £'000	Listed Investments £'000	Total £'000
Market value at 1 April 2022	5,915	16,447	22,362
Acquisitions	-	750	750
Disposals	-	-	-
Unrealised gains/losses	280	(680)	(400)
At 31 March 2023	6,195	16,517	22,712
Cost of investments at 31 March 2023	1,599	12,542	14,141

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 in March 2023 with a resultant increase in market value of £280k.
- 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. Formal revaluations were carried out in March 2022 by property professionals after conducting an inspection of the relevant properties. These were prepared in accordance with the Royal Institution of Chartered Surveyors (RICS). Valuation – Global Standards (The Red Book), incorporating the International Valuation Standards (IVS) 2022. The trustees have considered whether there has been any change in value since the last professional valuation and have concluded that there has been no material movement in value since that date.

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

Listed investments held at 31 March 2023 are as follows:

	2023 £'000	2022 £'000
UK common investment funds	16,518	16,447

At 31 March 2023, 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	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Revenue grants and fees receivable	-	575	-	575
Legacies receivable	1,205	1,484	1,205	1,484
Investment income and interest receivable	118	126	118	126
VAT recoverable	257	164	257	164
Prepayments	185	103	185	103
Amounts due from subsidiary undertaking	-	-	24	30
Other debtors	256	72	192	42
	2,021	2,524	1,981	2,524

14 Creditors: amounts falling due within one year

	GROUP		CHARITY	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Expense creditors	794	892	730	868
Social security and other taxes	237	234	237	234
Accruals	408	564	408	564
Deferred income	595	610	595	610
Other creditors	40	131	40	83
	2,074	2,431	2,010	2,359

Deferred income consists of grants and contractual income received in advance

	GROUP
	2023
	£'000
Deferred income	
Balance as at 1 April 2022	610
Income deferred in the year	57
Income released in the year	(72)
Balance as at 31 March 2023	595

15 Restricted Funds

	Mission fund £'000	Restricted funds £'000	2023 £'000	Mission fund £'000	Restricted funds £'000	2022 £'000
At 1 April 2022	1,919	518	2,437	1,775	435	2,210
Income	55	425	480	50	1,065	1,115
Expenditure	-	(400)	(400)	-	(1,002)	(1,002)
Gains/losses on listed investment	(75)	-	(75)	117	-	117
Transfers	(24)	(23)	(47)	(23)	20	(3)
At 31 March 2023	1,875	520	2,395	1,919	518	2,437

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

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	2023 £'000	2022 £'000
At 1 April 2022	16,188	16,652
Capital Purchases	642	300
Depreciation Charge for Year	(808)	(764)
At 31 March 2023	16,022	16,188

17. Investment property fund

GROUP and CHARITY	2023 £'000	2022 £'000
At 1 April 2022	5,915	5,870
Net movement in the year	280	45
At 31 March 2023	6,195	5,915

18. Analysis of net assets between funds - GROUP

	General funds £'000	Tangible fixed assets fund £'000	Investment Property fund £'000	Restricted funds £'000	Total 2023 £'000
Fund balances at 31 March 2023 are represented by					
Tangible fixed assets	-	16,022	-	-	16,022
Investments	14,714	-	6,195	1,803	22,712
Current assets	3,528	-	-	592	4,120
Creditors: amounts falling due within one year	(2,074)	-	-	-	(2,074)
Total net assets	16,168	16,022	6,195	2,395	40,780
Accumulated unrealised gains included above consists of:					
.On listed investments	3,560	-	-	416	3,976
.On investment properties	-	-	4,596	-	4,596
	3,560	-	4,596	416	8,572
Reconciliation of movements in unrealised gains on investments					
Unrealised gains at 1 April 2022	4,164	-	4,316	491	8,971
Add Net unrealised (losses)/gains in the year	(604)	-	280	(75)	(400)
Unrealised gains at 31 March 2023	3,560	-	4,596	416	8,572

18. Analysis of net assets between funds - Hospice

Charity

	General	Tangible fixed assets	Investment Property	Restricted	Total
	funds	fund	fund	funds	2023
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 March 2023 are represented by					
Tangible fixed assets	-	16,022	-	-	16,022
Investments	14,714	-	6,195	1,803	22,712
Current assets	3,464	-	-	592	4,056
Creditors: amounts falling due within one year	(2,010)	-	-	-	(2,010)
Total net assets	16,168	16,022	6,195	2,395	40,780
Accumulated unrealised gains included above consists of:					
.On listed investments	3,560	-	-	416	3,976
.On investment properties	-	-	4,596	-	4,596
	3,560	-	4,596	416	8,572
Reconciliation of movements in unrealised gains on investments					
Unrealised gains at 1 April 2022	4,164	-	4,316	491	8,971
Add Net unrealised losses in the year	(604)	-	280	(75)	(400)
Unrealised gains at 31 March 2023	3,560	-	4,596	416	8,572

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 NHS 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 £568,018 (2022 – £467,032), of which £260,661 (2022 – £199,630) 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 £127,962 (2022 – £537,667) were paid by the Charity on behalf of The Religious Sisters of Charity Charitable Trust during the year and were reimbursed
- At 31 March 2023 The Religious Sisters of Charity Charitable Trust owed the Hospice £29,008 (2022 – £79,882).

During the year The Religious Sisters of Charity Charitable Trust sub-contracted their services from a separate organisation, hence the reduction in expenses during the year.

During the year, Trustees made donations to the charity totalling £nil (2022 – nil).

There were no other related party transactions during the year (2022 – 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 2023, 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.

	2023	2022
	£'000	£'000
Operating leases payments due: within one year	33	22
. Within one to two years	11	33
Within two to five years	11	22
	55	77

23. Post Year-End Events

There have been no post year-end events to report.