



Trustees' Report and Financial Statements

For the year ended 31 March 2023



St John's Hospice North Lancashire and South Lakes is a charitable incorporated organisation registered in England with charity number 1157030

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

TRUSTEES' ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

BACKGROUND TO THE CHARITY

St John's Hospice North Lancashire and South Lakes ("the Charity") was founded on 1 April 2014 as a charitable incorporated organisation ("CIO") and registered with the Charity Commission on 13 May 2014 with Charity Number 1157030. The CIO was formed to take over the assets and undertakings of North Lancashire and Lakeland Continuing Care Trust, an unincorporated charity with charity number 510667 that was founded in 1980 to establish a hospice for residents of North Lancashire and the South Lakes. These assets and undertakings were transferred on 1 October 2014. The objectives and trading name of the new CIO are identical to those of the unincorporated charity, which was removed from the Register of Charities. The Charity is known as St John's Hospice ("the Hospice").

The principal object of St John's Hospice, which opened its doors to patients in December 1985, is the relief and care of persons of either sex (without regard to race or creed) who are suffering from any chronic or terminal illness or from any disability or disease. These aims are achieved by inpatient care, outpatient clinics, day hospice, domiciliary care and associated educational initiatives.

The running costs of the Hospice are met by discretionary grants from the Integrated Care Board (ICB) and by funds raised by the Charity supported by the remarkable generosity of the local community.

The Hospice places great value on its connections with a number of public sector and voluntary organisations that cooperate with it and at times provide joint services.

Our Vision

Putting local patients and families at the heart of everything we do will ensure that on the journey towards the end of life, we provide the right care, in the right place, at the right time.

Our Mission

Ensuring our services are clearly understood and accessible to those in need where and when required.



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TRUSTEES' ANNUAL REPORT (CONTINUED)

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Our Values

Care – We will provide first class care, delivered by competent, committed people who put the patient at the heart of all we do

Compassion – We will treat everyone with respect, dignity and empathy

Collaboration – We will work with others to ensure that patients and families receive the best end of life care possible

Charity – We will provide care free of charge to patients and families and will connect with our local communities so that they continue to finance our present and our future

Celebration – We will celebrate the abilities of the people we care for, however limited they may be. When people are bereaved we will support them to celebrate the lives of people they have lost

“St John's Hospice - Built by the people for the people”

LEGAL STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity's official name is St John's Hospice North Lancashire and South Lakes, though it is better known as St John's Hospice. The Charity is a charitable incorporated organisation governed by a Foundation Model Constitution dated 1 April 2014 under the terms of which the Trustees operate. Its charity registration number is 1157030. The Charity has 3 wholly owned subsidiaries. St John's Hospice Lancaster Limited (company number 7216444) was established to promote the sale of Hospice goods. St John's Hospice Shops Limited (company number 2490956) operates charity shops in the area selling donated goods and furniture. St John's Hospice Catering Limited (company number 10911525) runs the café at the Hospice and provides event catering.

Trustees

Governance of the Charity is the responsibility of the Board of Trustees. Trustees who have served in office from 1 April 2022 until the date of signing this report are set out below.

Mrs C Heginbotham - Chair	Mrs C Redhead
Mr M Cullinan - Vice Chair (up until 7 th June 2022)	Dr N Sayer
Mrs E Bales	Mr J Sharples
Mr K Essa	Mrs S Smith (Vice-Chair from 7 th June 2022)
Mr R Gaskell	Mrs F Ward
Ms F Inglis	Dr J Yarnall
Ms A Bargh (Appointed 7 June 2022)	

In accordance with the Constitution, new Trustees are appointed by the existing Trustees and for a term of four years by Board resolution. In selecting new Trustees, the existing Trustees have regard to the skills, knowledge

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and experience needed for the effective administration of the Charity. On appointment new Trustees complete an induction programme that includes familiarisation with the purposes and operations of the Charity, appreciation of current issues and guidance on relevant policies.

The Board ordinarily meets every three months and has two additional strategy meetings per annum to review the strategy and operation of the Charity including a rigorous review of the corporate risks affecting the Charity. Three regular sub-committees are in place to review specific areas of activity. These comprise Finance and Resources; Care, Quality and Services; and Fundraising and Communications. These sub-committees each meet every three months and report to the full Board meetings. A Remuneration sub-committee meets at least annually. Trustees are encouraged to take an interest in individual areas of Hospice activity. Performance of Trustees is subject to periodic review by the Chair. Trustees also communicate with each other and the Senior Management Team in the event that consideration of any issue is required between Board and/or sub-committee meetings. The Hospice is an active participant in the North West Hospices Network Group and the newly formed Lancashire & South Cumbria Hospice Alliance, of which the CEO is the current Chair.

CHARITY DETAILS

Principal Office	St John's Hospice, Slyne Road, Lancaster
Bankers	Barclays Bank plc, Market Street, Lancaster
Auditors	MHA Moore and Smalley, Priory Close, Lancaster
Investment Managers	Evelyn Partners, London Atomos Investments Limited, London

OPERATIONAL MANAGEMENT

The general operation of Hospice matters is devolved to the Senior Management Team which during the year comprised of Ms S McGraw (*Chief Executive Officer*), Dr S Edgecombe (*Medical Director – part year*), Dr A Bacon (*Medical Director – part year*), Mrs M Bass (*Director of Nursing and Quality*), Mrs T Scott (*Director of Finance and Resources*), Mrs C Butterworth (*Director of Income Generation*) and Mrs S Horner (*Director of Marketing, Communications & Engagement*).

The Senior Management Team reports to the Board of Trustees and attends regular meetings of the Board.

Operational risk is managed through the Senior Management Team, with key reference to the Care, Quality and Services sub-committee. The Senior Management Team meets weekly.

Pay for the Senior Management Team is set by the Trustees having regard to the job scoring matrix used throughout the Hospice to evaluate pay for all jobs and having regard to market salary rates.

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VOLUNTEER SUPPORT AT ST JOHN'S HOSPICE



The Charity is heavily dependent on, and very thankful for, the support it receives from volunteers, who work to support the operation of the Hospice in a wide variety of ways, from helping to provide direct care, supporting income generation by fundraising or working in the charity shops, serving as Trustees, or in a host of other capacities. During 2022/23 Covid restrictions were eased which meant we could welcome back our volunteers. It was also a year of additional services, such as the bereavement service at the newly opened Forget Me Not Centre. We were delighted to see an influx of volunteers to support this new service.

During 2022/2023 the number of volunteer hours in the hospice increased compared with 2021/2022, due to the opening up of some services after the pandemic. Compared with 2021/2022 when we received the support of almost 40,000 volunteer hours, this year it was closer to 97,000 hours. This would suggest an economic value of some £1,392k to the Charity when calculated using the average staff cost of the department in which the volunteer works compared to £529k last year.

There are many more informal volunteers who help out with numerous fundraising and publicity events. The value of this support is incalculable but could easily double the calculated value of the input of the more formal volunteers.

OBJECTIVES AND ACTIVITIES INCLUDING PUBLIC BENEFIT

The Charities Act 2011 requires charities to report on the public benefit of their activities. The Trustees have had regard to the Charity Commission's guidance on public benefit and believe that an appreciation of the Charity's public benefit can be obtained from the following review of its achievements and performance.

ACHIEVEMENTS AND PERFORMANCE 2022/2023

There were a number of achievements during 2022/23. The most significant being the opening of the Forget Me Not Centre.

During the year we reviewed the Strategic Plan for 2020-2023. Our Vision & Strategy for 2020-2023 was the result of conversations with our community, health and social care partners and volunteers and staff at the Hospice. It was clear from these conversations that Hospice care in our community is valued, it is also clear that the price of providing increasingly costly services to more and more people is potentially unsustainable in the long-term and that the challenges we face require a courageous response.

We believe that a successful future for St John's demands a balance between stability and agility. Stability comes from the ethos of hospice care – what we are known for and the things we will not compromise such as excellence, compassion and dignity. However, we must also have the agility to respond to new opportunities in an innovative and progressive way, actively seeking out partnerships, trying out new ideas and being creative and compelling with our fundraising and communication messages.

At the heart of the Strategic plan is for the Hospice to continue to provide for the needs of those facing life limiting illnesses in the locality.

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The Vision and Strategy identified the following six priorities in support of that mission.

- Develop and deliver high quality end of life care services with the professional competence and unique ethos that make us outstanding
- Proactively seek opportunities for collaborative working where appropriate
- Be an employer and volunteer base of choice
- Develop innovative, ethical and sustainable levels of resource to meet the service needs of our community
- Ensure St John's is the charity of choice for our local community
- Ensure St John's is the end of life charity of choice for providers.

To support the delivery of the 6 strategic priorities, we are required each year to produce a Quality Account outlining three key areas for improvement in the coming year.

The three key priorities for improvement were:

Priority 1 – The formation of the Lancashire & south Cumbria Hospice Alliance

There are 8 adult Hospices and 2 children's Hospices covering the new Lancashire and South Cumbria Integrated Care Board (ICB) footprint. During the pandemic, Hospices came together each Thursday lunchtime to share learning, updates and information. From this informal arrangement, a more formal collaboration began. In April 2022, the Lancashire & South Cumbria Hospice Collaborative was formed, its mission is "To ensure the population of Lancashire & South Cumbria receive the very best end of life and palliative care available".



The Hospice collaborative aims:

- To influence and shape the future commissioning and delivery of integrated Palliative and End of Life Care (PaEOLC).
- To develop qualitative, person-centred outcome measures.
- To support the implementation of outcomes linked to the Ambitions Framework NICE guidance palliative and end of life care.
- To act as the infrastructure that delivers Lancashire & South Cumbria's aspirations, standards and frameworks at a local level.
- To share and review data.
- To tackle inequality of access to Palliative and End of Life Care.

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- To ensure we continue to deliver the very best specialist PaEOLC to all adults, young people and children who need us - overcoming constraints both financial and workforce-related - by coming together, acting together and achieving together.
- To enable hospices to survive and thrive, whilst maintaining our identity, independence and freedom to innovate.
- To encourage shared innovation and learning.
- To reduce needless duplication, and share resources (staff, costs) wherever appropriate and feasible, so that every pound is stretched as far as possible for the people who need us.
- To advocate for a compassionate regional strategy.

Each Hospice contributed funding to recruit a Lancashire & South Cumbria Hospice Collaborative Strategic Lead. The purpose of this role is to ensure the collaborative is seen as "one voice" by the ICB and to ensure all opportunities for "strength in numbers" are grasped.

Our CEO is the chair of the Hospice Collaborative and, because of this role, attends the Integrated Care Partnership Board of the ICB.

A link to the Collaborative's website can be seen here:

LSC Hospices Together (lscht.org.uk)

Priority 2 – SJH @ 40 – Developing a sustainable Hospice for the Future

Our Hospice was built in the 1980s and will be 40 years' old in 2026. The building is beginning to show signs of age, not only physically but also operationally. Whilst there is no sense of patients and families being concerned about this, the Trustees know we must plan for the future of Hospice care, and this cannot be done in a building that was designed decades ago.

In January 2023, a team engagement process began. We asked the team two questions:

- If we were starting again, what would the building look like in terms of patients and families?
- If we were starting again, what would the building look like in terms of team well-being?

We had a remarkable response to this with some key themes emerging:

- Clinical services should be co-located
- We should really think about quiet space for the team
- We must move the mortuary

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At the Board meeting in March, it was agreed that a steering group should be formed to progress this work. The steering group will consist of Trustees and team members. It was also agreed that the work should not be rushed. Whilst the idea of having the building project completed by our 40th anniversary in 2026 may seem attractive, in the current economic climate cost, in terms of materials and labour, must be a consideration for the steering group.

Priority 3 – Development of an Education Strategy and Structure to support end of life care beyond the Hospice walls

In COVID we were unable to continue the previous education offering and the Learning and Development team roles were made redundant bar one person who co-ordinated mandatory training compliance. With the continuing pressure on NHS services, feedback from staff and the importance of effective recruitment and retention, it is clear that continuous professional development for our team and colleagues is key to ensuring the fundamentals of palliative care can be undertaken to ensure resources are utilised better.

With local ICB funding, the Hospice will be recruiting to a nurse specialist level education post. This post will work in one part of our catchment, the South Lakes, with our community, domiciliary agency and care home partners, to ensure the workforce understand how to identify palliative patients, give them the best fundamental care they can, and refer to St John's Hospice for support and guidance.

The postholder will link with a similar post in the acute hospitals to ensure the same courses are offered, ensuring the consistent and ongoing education and support required. There will also be firmer links made with education strategy groups and the wide Health Education England, to ensure relevant guidance and procedures are included in the education.

We will also be working in partnership with neighbouring Hospices to jointly recruit a Hospice Collaborative Strategic Education Lead.

FINANCIAL REVIEW

When we set the budget for the current financial year we were very aware of the difficulties in trying to quantify the effect the pandemic would have on the finances of the Hospice along with the impact of external factors such as a significant increase in the national minimum wage, increases in utility costs and a feeling of austerity within the public. Whilst we fully appreciate that the Trustees have the ongoing objective of running balanced budgets year on year, we recognised that this was a year we would need to draw on our reserves to fund anticipated shortfalls in income and increases in costs. This meant that we budgeted to make a deficit of £494,400.

During the financial year we received over £300,000 more legacy income than had been budgeted, a significant increase against budget of in-memoriam income, largely due to the increase in numbers on the inpatient unit and significant head of service staffing savings due to delays in recruitment.

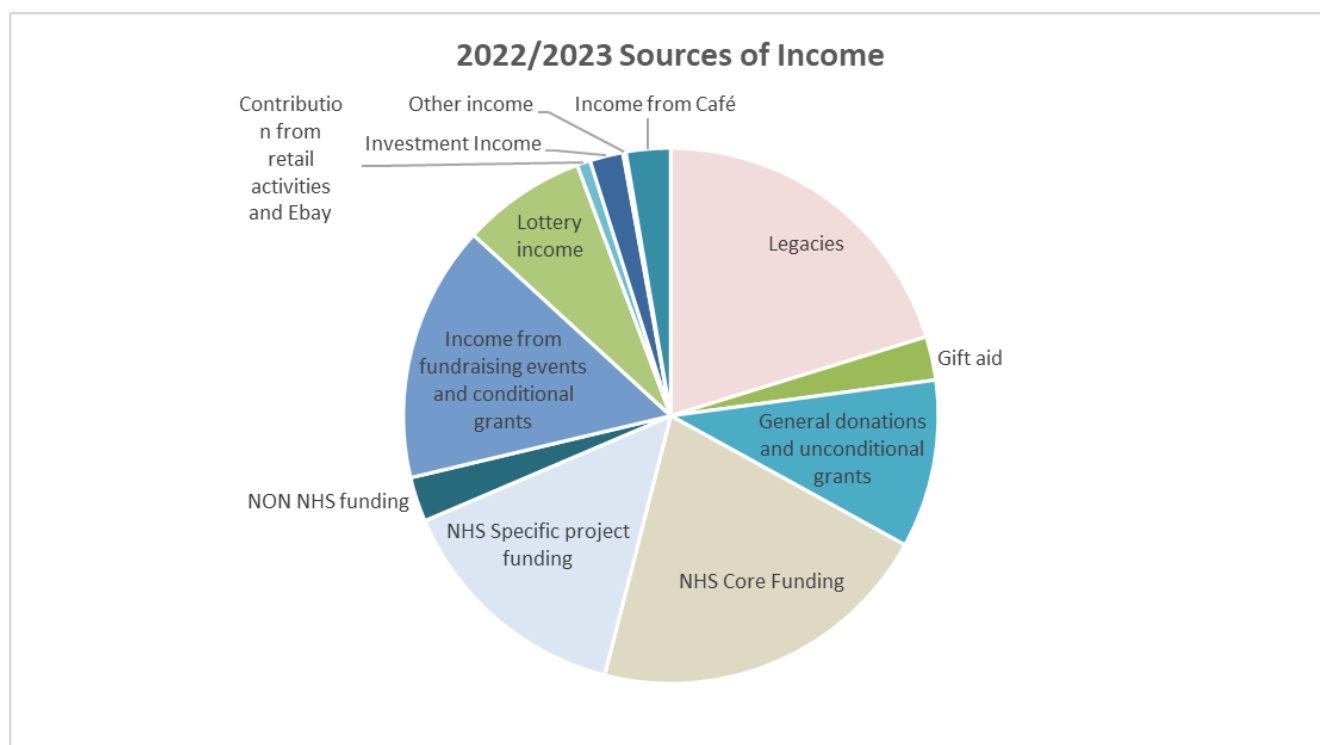
As a result of this higher than expected income we have recorded consolidated net income of £140,885 before investment losses and the deficit was restricted to £140,890 post investment gains.

Set out below is an analysis of the main sources of charity income.

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Consolidated income for the year totalled £6,651,584 with the local ICB providing £1,167,070 to fund our core work and a further £963,017 to fund specific project initiatives. The remaining £4.5m was generated from our loyal supporters, specific funding initiatives and our investments.

Consolidated expenditure for the year totalled £6,510,699. Expenditure on charitable activities totalled £4,838,131 of which 83% was spent on staffing costs. The remaining £1,672,568 has been spent on raising funds.

Consolidated net income for the year was £140,885 pre investment gains and other losses, and a deficit of £140,890 after these adjustments. Our investment portfolio suffered from the change in the stock and financial markets around the world with losses of £281,775.

Full details of the Charity's financial position and of its income and expenditure are set out in the Statements of Financial Activities, Balance Sheets and related notes which form part of these financial statements.

The continued uncertainty around the increased cost of living and rising inflation has again meant that setting a budget for 2023/2024 has been challenging as per previous years. Soaring costs, coupled with increases in the minimum and real living wage has been reflected in the deficit budget that has been set of £483,184 for the year which includes £127,943 of compelling projects. The Trustees are committed to using reserves to fund this deficit and the Senior Management Team is working closely with the Board to generate new funding streams and manage costs in line with anticipated future revenues.

We are indebted again to our grant funders who have supported us during the financial year, many of whom have supported us in the past. All funds received have been spent on the projects they were intended for. For those projects where grant funding has been received in advance but the costs have not yet been incurred, any grant monies received have been carried forward to the coming financial year.

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During the year ended 31 March 2023 we have received the following grants:

- The Albert Hunt Trust kindly gave us an unconditional grant which we used towards staffing our ward and community services teams.
- Eric Wright Charitable Trust gave us an unconditional grant which was also used towards staffing our ward and community services teams.
- Brownlie Trust gave us an unconditional grant again that was used towards funding our ward and community services staffing
- HSBC Group kindly gave us funds in order to buy furniture at the Forget Me Not Centre
- Walney Extension gave us a grant for 18 months to cover a large element of the young people's Nourish project
- Sir John Fisher Fund gave us a grant towards the salary of a hospice at home nurse
- Morrisons Foundation paid for a cuddle bed for the ward
- Mr & Mrs Scholes kindly donated monies to build the Forget Me Not Centre
- Morecambe Men's Committee donated monies for syringe drivers which are used within our community services team
- Population Investment Fund gave us funding to provide 3 Fatigue and Breathlessness groups
- The Francis C. Scott Foundation donated funds to support our bereavement services within South Cumbria

RISK MANAGEMENT

The Trustees consider and assess on an on-going basis the major risks to which the Charity may be exposed. All risks identified are set out and monitored using the corporate risk register. Systems are in place to mitigate those risks. Where they are financial it is believed that the reserves policy and financial controls minimise the potential risks. In non-financial matters there are reviews, appraisals and regulatory procedures in place.

By far the biggest risk to the Hospice since the Covid-19 pandemic has been the cost of living crisis. There is uncertainty as to the levels of income whether these could be sustained and also be grown to meet the rising costs. Continuous monitoring of expenditure is now in place and the governance handbook has been reviewed by the Chair of the Trustees, the Chief Executive and the Director of Finance and Resources. The governance team has seen new staffing and all policies and procedures are being reviewed across the hospice.

Staff receive appropriate annual mandatory training covering health and safety issues such as fire safety, moving and handling, basic food hygiene, safeguarding, information confidentiality and infection control.

During the pandemic the Trustees were unable to visit the hospice. In December 2022 four Trustees did a walk about of the hospice and asked clinical and non-clinical staff about their experience in the hospice. The presence of the trustees within the hospice is seen by staff to be a benefit and shows staff that they are supported and being listened to. Further dates are planned during 2023/24.

Along with all charitable organisations, the Hospice has a number of regulators, the principal two being the Charity Commission and the Care Quality Commission (CQC). The Hospice complies with all Charity Commission requirements. The Care Quality Commission regularly inspects the operations of the Hospice, either through self-assessment or visits and their last routine unannounced inspection visit was on 26 July 2016 when the Hospice was rated overall as "Outstanding". The overview given by the inspectors was as follows:

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"We spoke with people who used the service, relatives, staff and other professionals during this inspection. They told us the service provided an exemplary level of care and the leadership was exceptional. They spoke extremely highly of staff. One person told us, 'From being in despair I am now able to focus on what matters. All with the help from the staff.' A relative said, 'The support from the hospice staff exceeded anything we had hoped for. It was fantastic.'"

Care planning was extremely flexible, person centred and proactive. People and their families told us staff championed people's right to choose how, where and when they wanted their care provided. They said staff were especially proactive and 'made things happen' in order to provide exceptional care for people. We saw staff had to support people to attend special family events with staff support and helped patients with arrangements to marry in the hospice.

People said staff were extremely caring and respectful, listened to them and assisted them promptly. They told us staff always 'went that extra mile and beyond'. We saw end of life care plans were informative and personalised and staff were remarkable in their determination to help people to carry out their final wishes. This included providing advice, support and staff at a person's home so they could remain in the comfort of their home with loved ones.

Families told us staff were extremely competent and compassionate in the way they assisted people to have control of illness symptoms and pain. They commended staff for the practical, emotional and spiritual support provided and outstanding care that enabled their relative to have a dignified, peaceful and pain free death. Written comments from families included, 'Thank you for making the end of [family member's] life so calm and dignified and filled with love'. And 'You worked miracles and [person] died serenely and comfortably. Thank you.'

The management team and trustees worked collaboratively with other agencies to develop best practice, excellent partnership work and support for people. They carried out innovative research with local and national organisations and influenced best practice and policy-making. This further improved care practices and helped develop innovative support in the hospice and the community.

Other professionals were extremely complimentary about St John's Hospice, the staff attitudes and their competence. Staff demonstrated a highly sensitive and compassionate understanding of protecting and respecting people's human rights. We found staff were passionate about providing a non-discriminatory and tremendously supportive service. People who used the service, their families and staff were supported throughout their 'journey'. They were provided with complementary therapies such as reflexology and massage to assist with relaxation and reduce anxiety and distress. The care by hospice staff did not end when a person died; the hospice team continued to support families after their family member's death. They were offered bereavement counselling and support groups for emotional well-being."

In March 2020, the CQC suspended their routine inspection programme in response to Covid-19 and do not intend to resume it for the immediate future. They continue to use a mix of off-site and on-site monitoring to ensure the public have assurance to the safety and quality of the services they receive. They now carry out a monthly review of data available to them and have found no evidence our rating should change.

However, the Hospice is keen to assure itself that the quality of service is of the highest standard, so in August 2022 a team from Healthwatch Lancashire were invited to conduct an "Enter and View" inspection of ward services. Healthwatch looked at:

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- The external and internal environment – First Impressions
- Observation of corridors, toilets and bathrooms
- Lounges and public areas

They then observed patient and staff interactions and interviewed patients (as appropriate) and their family members and carers.

Healthwatch could find no areas for improvement stating:

"No areas for improvement were identified during the visit and the quality of service was deemed to be a prominent level".



Full details of the Charity Commission Report, the Healthwatch "Enter & View" Inspection report and Care Quality Commission's inspection can be found on the respective organisation's web-site.

The Hospice takes the role of clinical governance very seriously and monitors all areas to ensure clinical effectiveness; patient safety and patient experience are at the forefront of care. Our corporate and clinical governance structures ensure that we have both the systems and processes in place to maintain a viable and responsible operation, whilst ensuring that our services are of the highest quality and meet the aspirations of our vision.

The Integrated Governance Committee, which comprises all members of the Senior Management Team, oversees the development, implementation and monitoring of the Hospice's integrated governance arrangements. In addition it looks at the systems and processes by which the Hospice leads, directs and controls its functions in order to achieve strategic organisational objectives, assure safety and optimise quality of service. The Committee also seeks to ensure that all statutory responsibilities of the Hospice are covered appropriately and all requirements of our various regulators are met. The Committee reports directly to the relevant Board sub-committees.

The annual Data Security & Protection Toolkit was completed in line with the NHS's deadline of the 30th June 2023.

Serious Incidents

There are no serious incidents to report.

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FUNDRAISING

With less than one third of our funding being received from the ICB, fundraising is an integral part of the work we do at the Hospice to ensure that our services can continue to be provided free of charge. We are grateful for the support of the very many people and organisations within our community who raise funds on our behalf.

We take our responsibilities towards fundraising very seriously and are committed to ensuring that the standards we adopt for fundraising mirror our vision and values treating everyone with care and compassion.

The Director of Income Generation and the Director of Marketing and Communications are responsible for devising and delivering the annual Income Generation, Communications and Engagement strategy.

Income Generation fundraising activities cover:

- Individual giving
- Community and corporate fundraising
- Fundraising events organised by the Hospice
- Sourcing of grants
- Legacy fundraising
- Operation of a lottery
- Selling second hand goods through our charity shops
- Operating a café within the Hospice
- Operating a gift shop within the café.

The Trustees are ultimately responsible for our fundraising activity and so review and approve the strategy and budget each year. The Director of Income Generation reports to the Board of Trustees through the quarterly Fundraising and Communications sub-committee and at the full Board meetings on performance and any relevant issues.

As well as fundraisers who are either employed by, or volunteer for, the Hospice we currently have arrangements with the following commercial participants/professional fundraisers:

Organisation	Type	Nature of relationship	How we oversee and monitor their work
Furness Building Society	Commercial participant	Charity Affinity account	Contract in place and regular monitoring and reviews.
Integrated Promotions Ltd	Professional fundraiser	Provision of canvassing services	Contract in place. Licenced and regulated by the Gambling Commission.



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			Bound by the Code of Practice of the Fundraising Regulator. Regular training and updates for canvassers. Regular communication, feedback and meetings. Quality monitoring. Complaints procedure in situ.
Global Adventure Challenges	Commercial participator	Provider of Overseas treks	Contract in place. Regular communication, feedback and meetings. ATOL Protection 6506.

To ensure that we protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate:

- We are registered with the Fundraising Regulator and committed to adhering to all recognised standards in relation to our fundraising activity
- Staff ensure that all fundraising activity complies with the Fundraising Regulator's Code of Fundraising Practice and the Fundraising Promise
- Staff are trained in their responsibilities in relation to fundraising regulation and legislation upon induction and periodically thereafter as required. Volunteers are also trained in compliance where necessary for their role
- In line with GDPR and the Fundraising Preference Service we promptly action any requests for removal from our mailing lists by amending their contact preferences.
- We do not sell the data of any of our donors and supporters to any third parties under any circumstances
- We comply with all the fundraising requirements of the General Data Protection Regulation
- We only use professional fundraising agencies who can demonstrate a track record of best practice in the sector and compliance with the Fundraising Regulator's code of conduct.

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In addition we have a Risk Management Policy so as to minimise or, as far as it reasonably practicable, eliminate any risks to patients, staff, volunteers, supporters, members of the public or the organisation's reputation in relation to our fundraising activity. Staff identify and assess risks and put any necessary preventative controls in place.



PLANS FOR THE FUTURE

The pandemic has not stopped the Board of Trustees making plans for the Hospice's future. In the past 12 months, Trustees have conducted a skills gap analysis of the Board and recruited new Trustees with relevant skills and knowledge that will support our strategic aims. Our three strategic projects for the current year are:

Engagement with the public to develop a new Hospice Strategy

The current Hospice Strategy will end in 2023. Trustees are keen to hear from members of the public, our team and Volunteers to hear what matters most to them about the future of Hospice care. In December, January and February, more than 500 local people took part in an engagement roadshow. The clear message was that Hospice's are much needed but we need to provide more support in people's own homes through the night and for short respite breaks. The next Hospice strategy will be developed to reflect what we heard.

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Preparation for the SJH @ 40 Building Project

In 2026 our Hospice building will be 40 years old. Before signs of wear become apparent, we are keen to undertake major, structural work to ensure our facility is fit for the future. A new clinical strategy is being developed, visits to new Hospice sites are being planned and a steering group of Trustees and key members of the Executive team have begun to plan for SJH @ 40.

Building positive relationships with the new ICB

In 2021, commissioning arrangements changed as CCGs disbanded and ICBs formed. ICBs will work at scale across a much bigger patch covering the whole of Lancashire & South Cumbria – a population of 1.8million people. The formation of the Hospice collaborative has been fundamental to this new relationship. The CEO is on the Board of the new Integrated Care Partnership and is working closely with new members of the ICB Board to ensure Hospices are not forgotten during this period of fast-paced change.

FINANCIAL REVIEW

Reserves policy

At 31 March 2023 the Hospice's reserves comprise: -

Total funds	£15,103,969
Of which:	
Tangible fixed assets	£5,191,181
Designated funds	£5,080,307
Restricted income funds	£39,748
Unallocated free reserves	£4,792,733

The Hospice could not do what it does without its dedicated team of around 195 skilled and professional staff. The Hospice seeks to employ managers and staff that have both the necessary skills and experience and the right values and attitudes to provide its very special service and it is their employment costs that make up the vast majority of the Hospice's running costs.

This year with so much uncertainty the Trustees have remained very mindful of the need to maintain sufficient reserves to meet the working capital needs of the Charity, fund unexpected expenditure and shortfalls in income and to allow appropriate and monitored service expansion. Furthermore to ensure the financial security of the Charity no new service developments are introduced unless the Trustees are confident that they are both affordable and sustainable. In addition we always consider the revenue consequences of any capital expenditure.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees monitor the level of reserves each quarter through the Finance and Resources sub-committee and continuously review its reserves policy. In 2021 the Trustees agreed to adopt a policy of retaining unallocated free reserves to cover 12-18 months' full operating costs and this was expanded further at a trustee away day in February 2023 to include a specific reserve for legacies, in case the budget is not met. This is in line with other hospices.

Unallocated and designated reserves at 31 March 2023 amounted to £9,873,040 which represents 18 months full operating costs.

Investment policy

The investment policy of the Charity is to ring fence monies held in respect of grants received in advance or required for known capital and major repair expenditure. Additional funds are invested in equities, gilts, fixed interest and property funds with the intention of covering future inflation in running costs.

The Charity has a policy to maintain reserves for the purposes given above. The reserves are to be invested for the long term in portfolios and financial instruments which the Trustees deem to represent an acceptable level of risk combined with the aim of providing a reasonable return on the funds.

Investment criteria:

- Capital preservation of adequate reserves for known and unforeseen shorter term needs
- Balance of reserves invested with the potential of growth above inflation over the longer term
- Avoidance of tobacco related investments.

The investment policy and performance of funds against the policy is reviewed at each sub-committee meeting with investment managers instructed to carry out any recommended changes as to the investment instruments. The managers are instructed to keep a balanced portfolio to spread the risk and maximise capital growth without jeopardising revenue income.

The Trustees are satisfied with the performance of the investment portfolio over the period.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES' RESPONSIBILITIES

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity, and of the income and expenditure of the Charity, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charity's governing document, the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

AUDITORS

MHA Moore and Smalley have indicated their willingness to accept reappointment as auditors to the Charity.

The Trustees Report was approved on ^{12/10/2023} and was signed on behalf of the Trustees by:

C M Heginbotham

.....
C Heginbotham

Chair – Board of Trustees

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of St John's Hospice North Lancashire and South Lakes (the 'parent Charity') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated and charity statement of financial activities, the consolidated and charity balance sheets, the consolidated and charity cash flow statements and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent Charity's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the parent Charity's financial statements are not in agreement with the accounting records; 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, set out on page 18, the Trustees are responsible for the preparation of financial statements which 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's and parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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

- Enquiries with the board about any known or suspected instances of non-compliance with laws and regulations, including fraud;
- Challenging assumptions and judgements made by the board in their significant accounting estimates;
- An evaluation of the risk of management override of controls and subsequent testing, including through testing journal entries and other adjustments for appropriateness; and
- An evaluation of the charity's internal control environment.
- Auditing the risk of fraud in revenue, including through the testing of the cut-off of income at the year end and sales transaction testing to ensure revenue is complete in the financial statements and recognised in the correct accounting period.

Because of the industry in which the charity operates, we identified the following areas as those most likely to have a material impact on the financial statements: Compliance with the Care Quality Commission requirements, Health and Safety, compliance with Gambling Commission rules, in particular holding the relevant lottery licence; employment law, and compliance with the UK Charities Act.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent Charity to cease to continue as a going concern.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MHA Moore and Smalley

MHA Moore and Smalley
Chartered Accountants and Statutory Auditor

Priory Close
St Mary's Gate
Lancaster
LA1 1XB

19/10/2023
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MHA Moore and Smalley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	1,825,597	12,500	1,838,097	2,315,755
Charitable activities	4	2,130,087	-	2,130,087	2,008,016
Other trading activities	5	2,414,835	146,570	2,561,405	1,931,645
Investments	6	111,748	-	111,748	90,319
Other	7	10,247	-	10,247	1,880,454
Total		6,492,514	159,070	6,651,584	8,226,189
Expenditure on:					
Charitable activities	9	4,735,920	102,211	4,838,131	4,359,527
Raising funds	10	1,672,568	-	1,672,568	1,402,627
Total		6,408,488	102,211	6,510,699	5,762,154
(Loss)/gain on revaluation of investments		(210,088)	-	(210,088)	96,102
Net income/(expenditure)		(126,062)	56,859	(69,203)	2,560,137
Transfer between funds	25	700,803	(700,803)	-	-
Other recognised gains/(losses)					
Profit/(loss) on disposal of fixed assets		-	-	-	(238,905)
Gains on disposal of investments		(71,687)	-	(71,687)	84,860
Net movement in funds		503,054	(643,944)	(140,890)	2,406,092
Reconciliation of funds:					
Total funds brought forward		14,561,167	683,692	15,244,859	12,838,767
Total funds carried forward	27	15,064,221	39,748	15,103,969	15,244,859

All income and expenditure derive from continuing activities.

All gains and losses recognised in each period are included above.

The notes on page 28 to 48 form part of these financial statements.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies		1,825,597	12,500	1,838,097	2,315,755
Charitable activities		2,130,087	-	2,130,087	2,008,016
Other trading activities		1,458,915	146,570	1,605,485	1,175,796
Investments		111,748	-	111,748	90,319
Other		78,135	-	78,135	1,806,639
Total		5,604,482	159,070	5,763,552	7,396,525
Expenditure on:					
Charitable activities		4,728,960	102,211	4,831,171	4,354,307
Raising funds		736,236	-	736,236	603,885
Total		5,465,196	102,211	5,567,407	4,958,192
(Loss)/gain on revaluation of investments		(210,088)	-	(210,088)	96,102
Net income/(expenditure)		(70,802)	56,859	(13,943)	2,534,435
Transfer between funds	25	700,803	(700,803)	-	-
Other recognised gains/(losses)					
Profit/(loss) on disposal of fixed assets		-	-	-	(238,905)
Gains on disposal of investments		(71,687)	-	(71,687)	84,860
Net movement in funds		558,314	(643,944)	(85,630)	2,380,390
Reconciliation of funds:					
Total funds brought forward		14,589,711	683,692	15,273,403	12,893,013
Total funds carried forward	27	15,148,025	39,748	15,187,773	15,273,403

All income and expenditure derive from continuing activities.

All gains and losses recognised in each period are included above.

The notes on page 28 to 48 form part of these financial statements.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	15	5,191,181		5,129,376	
Investments	16	4,067,558		4,347,152	
			9,258,739		9,476,528
Current assets					
Stock		9,905		10,159	
Debtors	17	278,196		1,900,709	
Cash at bank and in hand		5,741,098		4,197,630	
Cash held with investment managers		182,381		118,589	
		6,211,580		6,227,087	
Creditors: amounts falling due within one year	18	(366,350)		(458,756)	
Net current assets		5,845,230		5,768,331	
Total assets less current liabilities		15,103,969		15,244,859	
Net assets		15,103,969		15,244,859	
Funds:					
Unrestricted funds	23	9,983,914		10,295,167	
Designated funds	23	5,080,307		4,266,000	
Restricted funds	25	39,748		683,692	
Total funds		15,103,969		15,244,859	

These accounts were approved by the Trustees and authorised for issue on 13/10/2023, and are signed on their behalf by:

C M Heginbotham

C Heginbotham
Chair – Board of Trustees

M Cullinan

M Cullinan
Chairman – Finance and Resources Committee

The notes on page 28 to 48 form part of these financial statements.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

CHARITY BALANCE SHEET

AS AT 31 MARCH 2023

		2023	2022
		£	£
Fixed assets			
Tangible assets	15	5,163,127	5,123,166
Investments	16	4,137,561	4,417,155
		<u>9,300,688</u>	<u>9,540,321</u>
Current assets			
Stock		3,052	3,052
Debtors	17	965,987	2,196,894
Cash at bank and in hand		5,055,724	3,845,249
Cash held with investment managers		182,381	118,589
		<u>6,207,144</u>	<u>6,163,784</u>
Creditors: amounts falling due within one year	18	(320,059)	(430,702)
		<u>5,887,085</u>	<u>5,733,082</u>
Net current assets			
		<u>15,187,773</u>	<u>15,273,403</u>
Total assets less current liabilities			
		<u>15,187,773</u>	<u>15,273,403</u>
Net assets			
		<u>15,187,773</u>	<u>15,273,403</u>
Funds:			
Unrestricted funds	27	10,067,718	10,323,711
Designated funds	27	5,080,307	4,266,000
Restricted funds	25	39,748	683,692
		<u>15,187,773</u>	<u>15,273,403</u>
Total funds			
		<u>15,187,773</u>	<u>15,273,403</u>

13/10/2023

These accounts were approved by the Trustees and authorised for issue on, and are signed on their behalf by:

C M Heginbotham

C Heginbotham
Chair – Board of Trustees

M Cullinan

M Cullinan
Chairman – Finance and Resources Committee

The notes on page 28 to 48 form part of these financial statements.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

GROUP AND CHARITY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash generated in operating activities	1,661,423	1,325,933	1,303,023	1,121,825
Cashflows from investing activities				
Investment income	111,748	90,319	111,748	90,319
Purchase of fixed assets (including investments)	(595,001)	(1,674,209)	(569,594)	(1,666,447)
Receipts from sale of fixed assets (including investments)	429,090	652,157	429,090	652,157
Cash provided by/(used in) investing activities	1,607,260	394,200	1,274,267	197,854
Increase in cash and cash equivalents in the year	1,607,260	394,200	1,274,267	197,854
Cash and cash equivalents brought forward	4,316,219	3,922,019	3,963,838	3,765,984
Cash and cash equivalents carried forward	5,923,479	4,316,219	5,238,105	3,963,838
Reconciliation of net movement in funds to net cashflow from operating activities				
Net movement in funds	(69,203)	2,560,137	(13,943)	2,534,435
Loss (gain) on revaluation of investments	210,088	(96,102)	210,088	(96,102)
Investment income received	(111,748)	(90,319)	(111,748)	(90,319)
Depreciation and amortisation	101,925	85,401	98,362	82,149
(Increase)/Decrease in stock	254	(2,000)	-	(2,402)
(Increase)/Decrease in debtors	1,622,513	(1,292,214)	1,230,907	(1,444,882)
Increase/(Decrease) in creditors	(57,685)	139,843	(34,162)	117,759
Increase/(Decrease) in deferred income	(34,721)	21,187	(76,481)	21,187
Net cash generated in operating activities	1,661,423	1,325,933	1,303,023	1,121,825
Components of cash and cash equivalents				
Cash at bank and in hand	5,741,098	4,197,630	5,055,724	3,845,249
Cash held with investment managers	182,381	118,589	182,381	118,589
	5,923,479	4,316,219	5,238,105	3,963,838

The notes on page 28 to 48 form part of these financial statements.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Basis of accounting

St John's Hospice North Lancashire and South Lakes is a charitable incorporated organisation (CIO) registered in the United Kingdom. The address of the CIO, the nature of its operations and its principal activities are all detailed in the Trustees' report of these financial statements.

The CIO constitutes a public benefit entity as defined by FRS102. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the Charity.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation

The consolidated accounts of the group incorporate the accounts of St John's Hospice North Lancashire and South Lakes ("the Charity") and its three wholly owned subsidiary undertakings, St John's Hospice Shops Limited, St John's Hospice Lancaster Limited and St John's Hospice Catering Limited. The results of these subsidiaries are consolidated on a line by line basis.

Income

Income including donations and gifts receivable is credited to the Statement of Financial Activities in the period in which it is receivable.

Legacies are regarded as receivable once probate has been granted, there is sufficient evidence regarding the certainty of the receipt and there is a sufficiently reliable measurement of the amount in accordance with the recognition criteria of the SORP. In practice this is rarely before the receipt of a letter advising of an intended payment or transfer. Interim receipts are treated as being receivable on receipt. Where legacies have been notified to the Charity, or the Charity is aware of granting of probate and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material in note 3.

Funding received in advance including grants are treated as deferred income where the funding agency requires an ongoing service to be provided by expenditure in the future period to which the funding relates.

Other income includes income from NHS England and other support from the UK government including under the Coronavirus Job Retention Scheme (CJRS) to support the charity following the impact of COVID-19.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

Expenditure

Expenditure is recognised on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is categorised under the following headings:

- Expenditure on the provision of Hospice services and associated service costs
- Expenditure on raising funds

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Donated services and facilities

Donated services and facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit is probable and that economic benefit can be reliably measured. In accordance with SORP (FRS 102) no amounts are included in the financial statements for services donated by volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure on period of receipt.

Fixed assets

Fixed assets are stated at cost less depreciation. Potential capital items with a cost of less than £2,000 or items that are deemed to have no value once in use by the Hospice are expensed through the Statement of Financial Activities. Fixed assets are depreciated on a straight line basis over their anticipated useful lives.

Freehold land and buildings	-	1% per annum
Leasehold improvements	-	Over the course of the lease
Motor vehicles	-	25% per annum
Fixtures and equipment	-	20% per annum

Freehold land and buildings includes non-depreciable land, the cost of which is not considered material.

The Forget Me Not Centre included within Assets Under Construction last year was completed during the year and transferred to freehold land and buildings during the year.

Investments

Investments are shown at their market value on the date of the balance sheet. Gains and losses on disposal and revaluation of assets are charged or credited to the Statement of Financial Activities.

Investments in subsidiaries are held at cost less amounts written off.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

Stock

Stocks consist of shop items purchased for resale and are stated at the lower of cost and net realisable value. The Charity adopts a cost formula of FIFO.

Debtors and creditors within one year

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Pensions

The Hospice operates a defined contribution scheme. Contributions are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Certain eligible employees are members of the National Health Service Superannuation Scheme. Contributions to this are also charged in the Statement of Financial Activities as they become payable (see note 22).

Fund accounting

Unrestricted funds - general funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds - restricted funds arise where there is a donor imposed restriction on the use of the funds, or the funds have arisen in response to an appeal for a specific purpose.

Designated funds - designated funds are unrestricted funds set aside by the Trustees for particular purposes.

Transfers are made from Restricted to Unrestricted funds where the expenditure has been fully made in accordance with the objects of the fund.

Cash and cash equivalents

Cash balances comprise amounts held on deposit with recognised banks and building societies.

Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Taxation

The Charity is exempt within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

De-recognition of financial assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

Financial liabilities are de-recognised when the Charity's contractual obligations expire or are discharged or cancelled.

2 Judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key assumptions, judgements and estimates

In the opinion of the Trustees' there have been no significant judgements (apart from those involving estimates) made in the process of applying the above accounting policies.

There have been no key assumptions concerning future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Charity's key estimates are considered to be depreciation charges which are explained in the fixed asset policy on page 29.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
General donations	565,529	-	565,529	1,139,207
Gift aid	146,670	-	146,670	123,344
Legacies	1,113,398	12,500	1,125,898	1,053,204
	1,825,597	12,500	1,838,097	2,315,755

Certain gifts are received with a request that the money be spent on specific items of equipment or for specific revenue purposes. The amounts so received are included in income and the cost of the related expenditure in the relevant category of expenditure. It is the Trustees' policy to spend all such gifts for the purpose requested.

At the period end, the Trustees had been notified of legacies approximating £1,241,198 which do not meet the criteria for inclusion in these financial statements under SORP (FRS 102) which is further explained in the accounting policies on page 32.

General donation income of £678,411 in the comparative period represented restricted income. All other income was unrestricted.

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
NHS core funding	1,167,070	-	1,167,070	1,145,304
NHS specific projects	812,298	-	812,298	743,988
Non-NHS income	150,719	-	150,719	118,724
	2,130,087	-	2,130,087	2,008,016

Income from charitable activities is spent in accordance with the terms of the agreement or contract under which it is received.

All income from charitable activities in the comparative period was unrestricted.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Income from other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Fundraising events	716,764	-	716,764	477,615
Conditional grants	-	146,570	146,570	56,686
Lottery income	417,892	-	417,892	423,803
Retail activities	1,130,316	-	1,130,316	955,140
Café income	149,863	-	149,863	18,401
	2,414,835	146,570	2,561,405	1,931,645

Conditional grant income of £56,686 in the comparative period represented restricted income. All other income was unrestricted.

6 Income from investments

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Bank and investment interest receivable	26,866	-	26,866	4,232
Interest on Government securities and dividends received	84,882	-	84,882	86,087
	111,748	-	111,748	90,319

All income from investments in the comparative period was unrestricted.

7 Other income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
NHSE funding	-	-	-	1,766,105
CJRS income	-	-	-	20,559
Retail grants	-	-	-	74,552
Other income	10,247	-	10,247	19,238
	10,247	-	10,247	1,880,454

Conditional NHSE income of £1,766,105 in the comparative period represented restricted income. All other income was unrestricted.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Income from subsidiaries' trading activities

	2023 £	2022 £
St John's Hospice Shops Limited (Company No. 02490956)		
Turnover	784,368	716,554
Cost of sales	(584,176)	(517,054)
Gross profit	200,192	199,500
Administration costs	(274,080)	(257,302)
Other operating income	5,385	79,568
Operating (loss)/profit	(68,503)	21,766
(Loss)/profit before charitable donation	(68,503)	21,766
Assets	571,641	383,449
Liabilities	(610,279)	(353,584)
Share capital and reserves	(38,638)	29,865
St John's Hospice Lancaster Limited (Company No. 07216444)		
Turnover	49,363	37,842
Cost of sales	(28,319)	(12,120)
Gross profit	21,044	25,722
Administration costs	(1,665)	(2,048)
Operating profit	19,379	23,674
Profit before charitable donation	19,379	23,674
Assets	21,720	25,700
Liabilities	(2,340)	(2,025)
Share capital and reserves	19,380	23,675

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Income from subsidiaries trading activities (continued)

	2023 £	2022 £
St John's Hospice Shops Catering (Company No. 10911525)		
Turnover	149,863	18,401
Cost of sales	(125,324)	(25,512)
Gross profit/(loss)	24,539	(7,111)
Administration costs	(8,023)	(4,772)
Other operating income	1,022	5,093
Operating profit/(loss)	17,538	(6,790)
Profit/(loss) before charitable donation	17,538	(6,790)
Assets	190,311	32,749
Liabilities	(184,854)	(44,830)
Share capital and reserves	5,457	(12,081)

The results presented above represent the results for the wholly owned subsidiaries for the year to 31 March 2023.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Expenditure on charitable activities

Activity	Provision of Hospice Services £	Total 2023 £	Total 2022 £
Staffing costs	4,004,546	4,004,546	3,630,805
Non salary costs of employment	44,750	44,750	49,236
Medical supplies, equipment and services costs	192,114	192,114	175,893
Food and nutrition	98,752	98,752	24,600
Transport	13,887	13,887	14,935
Premises	78,251	78,251	78,068
Depreciation	98,362	98,362	82,149
Profit on disposal of fixed assets	(4,000)	(4,000)	-
Utilities	139,393	139,393	70,471
Management and professional costs	27,351	27,351	53,972
Admin and support costs	103,061	103,061	141,273
Education costs	25,279	25,279	27,655
Audit fees	16,385	16,385	10,470
	4,838,131	4,838,131	4,359,527

Of the above expenditure £102,211 (2022: £1,783,563) is made against restricted income funds. All other expenditure was unrestricted.

10 Expenditure on raising funds

	Total 2023 £	Total 2022 £
Staffing costs	891,517	724,463
Fundraising costs	173,479	117,474
Lottery costs	104,476	110,110
Investment manager costs	19,125	26,574
Shop purchases	28,319	12,120
Transport	98,909	109,238
Premises	12,089	20,602
Depreciation	3,563	3,252
Utilities	85,180	42,578
Rent	142,835	147,630
Professional costs	6,180	17,914
Admin and support	13,863	8,379
Other costs	93,033	62,293
	1,672,568	1,402,627

All expenditure on raising funds was unrestricted in the current and prior year.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Net (income)/expenditure

	2023 £	2022 £
Net income is stated after charging/(crediting):		
Depreciation	103,360	85,401
Auditor's remuneration		
- audit of the financial statements	9,500	7,300
- other non audit services	6,050	3,170

12 Analysis of staff costs and the cost of key management personnel

Total staff costs were as follows:	Total 2023 £	Total 2022 £
Wages and salaries	4,144,966	3,703,409
Social security costs	351,954	299,760
Pension costs	399,143	352,099
	4,896,063	4,355,268

Excluding the costs of staff recharged, the remuneration of employees who received employee benefits more than £60,000 is as follows:

	2023 No	2022 No
£70,000 - £80,000	-	1
£90,000 - £100,000	1	1

The total amount of employee benefits received by key management personnel, as determined by the Charity, is £112,973 (2022: £109,489) during the current period.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Analysis of staff costs and the cost of key management personnel (continued)

Particulars of employees:

The average number of permanent employees paid directly by the Hospice during the year, calculated on the basis of full-time equivalents, was as follows:

	2023 No	2022 No
Doctors	3	5
Nurse practitioners and nurse management	1	2
Inpatient unit	31	30
Hospice at home	20	27
Day hospice	2	-
Family support and spiritual	4	4
Complementary therapists	1	1
Clinical nurse specialists	7	5
Quality and development	-	2
Administrative and HR	14	10
Domestic and maintenance	6	8
Finance	2	3
Catering and ward hospitality	9	7
Marketing and communication	2	3
Fundraising (including Shops)	32	30
Physiotherapy and occupational therapy	1	2
Volunteers	1	1
Lottery	1	1
Governance	2	-
IT	3	-
	142	141

Total head count staff number for the year was 195 (2022: 208).

The number of employees does not include the considerable number of unpaid voluntary helpers to whom the Trustees are indebted nor those who are employed by third parties and to which the Charity contributes.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Trustee remuneration and related party transactions

No remuneration is paid to any Trustees in their capacity as Trustees.

No travel and related expenses were reimbursed to any Trustees during the period. Insurance costs included £5,382 (2022: £3,560) insurance premium paid for Trustees and Officer Insurance.

No trustee of other person related to the Charity had any personal interest in any contract of transaction entered into by the Charity during the period. No material donations were made by Trustees to the Charity.

There was no ultimate controlling party during the current or prior period.

14 Taxation

St John's Hospice North Lancashire and South Lakes is a registered charity, number 1157030. All the Charity's income is applied to its charitable objectives and the Charity is therefore exempt under current legislation from most forms of taxation. Value added tax on expenditure that cannot be recovered is included in the cost of the expenditure on which it is charged.

15 Tangible fixed assets

Group	Land and Buildings £	Assets under Construction £	Motor Vehicles £	Fixtures & Equipment £	Totals £
Cost					
At 1 April 2022	5,264,665	1,016,017	117,944	782,805	7,181,431
Additions	96,000	-	18,940	50,225	165,165
Disposals	-	-	(18,420)	-	(18,420)
Transfers	1,016,017	(1,016,017)	-	-	-
At 31 March 2023	5,360,665	-	118,464	833,030	7,328,176
Depreciation					
At 1 April 2022	1,223,451	-	94,318	734,286	2,052,055
Charge for the year	65,058	-	13,135	25,167	103,360
Eliminated on disposals	-	-	(18,420)	-	(18,420)
At 31 March 2023	1,288,509	-	89,033	759,453	2,136,995
Net book value					
At 31 March 2023	4,072,156	-	29,431	73,577	5,191,181
At 1 April 2022	4,041,214	1,016,017	23,626	48,519	5,129,376

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Tangible fixed assets (continued)

Charity	Land and Buildings £	Assets under Construction £	Motor Vehicles £	Fixtures & Equipment £	Totals £
Cost					
At 1 April 2022	5,264,665	1,016,017	83,394	749,880	7,113,956
Additions	81,648	-	18,940	37,735	138,323
Disposals	-	-	(18,420)	-	(18,420)
Transfers	1,016,017	(1,016,017)	-	-	-
At 31 March 2023	6,362,330	-	83,914	787,615	7,233,859
Depreciation					
At 1 April 2022	1,223,451	-	59,768	707,571	1,990,790
Charge for the year	63,623	-	13,135	21,604	98,362
Eliminated on disposals	-	-	(18,420)	-	(18,420)
At 31 March 2023	1,287,074	-	54,483	729,175	2,070,732
Net book value					
At 31 March 2023	5,075,256	-	29,431	58,440	5,163,127
At 1 April 2022	4,041,214	1,016,017	23,626	42,309	5,123,166

16 Fixed asset investments

Group	2023 £	2022 £
Valuation		
Balance brought forward	4,347,152	4,096,242
Acquisitions at cost	431,271	716,359
Receipts for sale of investments	(429,090)	(646,411)
Realised (losses)/gains on sale of investments	(71,687)	84,860
Unrealised (losses)/gains on investments	(210,088)	96,102
Total investments	4,067,558	4,347,152

Total investments comprise the following type of investments:

UK listed equities and fixed interest securities	2,083,369	2,167,675
Overseas listed equities and fixed interest securities	1,453,059	1,544,737
COIF property fund and other property investments	531,130	634,740
	4,067,558	4,347,152

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Fixed asset investments (continued)

Charity	2023 £	2022 £
Investment in subsidiary undertakings		
2 shares in St John's Hospice Shops Limited	70,001	70,001
1 share in St John's Hospice Lancaster Limited	1	1
1 share in St John's Hospice Catering Limited	1	1
	70,003	70,003
Other investments at Valuation		
Balance brought forward	4,347,152	4,096,242
Acquisitions at cost	431,271	716,359
Receipts for sale of investments	(429,090)	(646,411)
Realised gains on sale of investments	(71,687)	84,860
Unrealised gains/(losses) on investments	(210,088)	96,102
	4,067,558	4,347,152
Total investments	4,137,561	4,417,155

Total investments comprise the following type of investments:

UK listed equities and fixed interest securities	2,083,369	2,170,207
Overseas listed equities and fixed interest securities	1,453,059	1,544,737
COIF property fund and other property investments	531,130	634,740
Investments in subsidiary undertakings	70,003	70,003
	4,137,561	4,419,687

St John's Hospice Shops Limited, St John's Hospice Lancaster Limited and St John's Hospice Catering Limited are all wholly owned subsidiaries of the Charity. The principal activities of the former two companies are the operation of retail charity shops selling donated and new goods respectively, with the latter being the operation of a café and event catering. All exist to further the activities of St John's Hospice North Lancashire and South Lakes.

17 Debtors

Group	2023 £	2022 £
Management debtors	196,632	1,763,624
Prepayments	32,809	93,442
VAT recoverable	48,755	43,643
	278,196	1,900,709

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Debtors (continued)

Charity	2023 £	2022 £
Management debtors	196,632	1,763,624
Prepayments	4,935	56,737
Amounts due from subsidiary undertakings	739,581	353,862
VAT recoverable	24,839	22,671
	965,987	2,196,894

18 Creditors: amounts falling due within one year

Group	2023 £	2022 £
Management creditors	37,572	35,431
Taxation and social security	86,793	79,408
Accruals	121,027	133,510
Lottery members	30,814	35,687
Other creditors	65,952	74,047
Deferred income (note 19)	24,192	100,673
	366,350	458,756

Charity	2023 £	2022 £
Management creditors	37,474	35,431
Taxation and social security	72,858	70,837
Accruals	81,500	108,764
Amounts due to subsidiary undertakings	11,565	18,373
Lottery members	30,814	35,687
Other creditors	61,656	60,937
Deferred income (note 19)	24,192	100,673
	320,059	430,702

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Deferred income

	2023 £	2022 £
Balance brought forward	100,673	79,486
Event and course fees received in advance	13,242	98,510
Grants received in advance	10,950	-
Release of deferred income	(100,673)	(77,323)
	24,192	100,673

20 Commitments under operating leases

	2023 Land and Buildings £	2023 Other £	2022 Land and Buildings £	2022 Other £
Within 1 year	80,021	5,402	76,274	5,402
Within 2 to 5 years	172,813	5,119	22,625	10,521
After more than 5 years	-	-	-	-
	252,834	10,521	98,899	15,923

21 Capital commitments

There were a total of £39,748 (2022: £39,748) capital commitments at the balance sheet date.

22 Pension schemes

The Hospice operates two pension schemes:

- A defined contribution group personal pension scheme. Contributions to the scheme are charged in the Statement of Financial Activities when payable.
- For certain eligible employees a defined benefit pension scheme. The assets of the scheme are held separately by the National Health Service Superannuation Scheme. Contributions are charged in the Statement of Financial Activities as they become payable. This pension scheme does not have a real pension fund but, as a statutory scheme, benefits are fully guaranteed by the Government. Contributions from both members and employers are paid to the Exchequer which meets the cost of increasing benefits each year by the rate of inflation. This extra cost is not met by contributions from scheme members and employers. As a result of the nature of the pension scheme there are no separately identifiable assets and liabilities which can be identified as relating to St John's Hospice, therefore as permitted by FRS 102, the scheme has been accounted for as a defined contribution scheme.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Analysis of unrestricted funds: current year

	At 1 April 2022 £	Income £	Expenditure £	Other recognised gains £	Transfers £	At 31 March 2023 £
Unrestricted funds						
Designated funds	4,266,000	-	(335,693)	-	1,150,000	5,080,307
General reserves	10,295,167	6,492,514	(6,072,795)	(281,775)	(449,197)	9,983,914
Total funds	14,561,167	6,492,514	(6,408,488)	(281,775)	700,803	15,064,221

The Trustees agreed on designated reserves in order to fund a number of items across the Hospice:

- £200,000 to upgrade the premises. The Hospice is now 37 years old and advanced maintenance is required.
- £2,000,000 to replace the roof. The roof is becoming past its useful life and needs a major repair or replacement.
- £51,915 to upgrade IT equipment and progress IT led projects to increase efficiency and productivity across the Hospice.
- £78,392 to invest in our staff in relation to training, CPD, health and wellbeing.
- £100,000 to upgrade our electrics in order to reduce future electricity spend.
- £1,500,000 to use as matched funding when applying for bids in order to develop our Hospice into its 40th year and beyond.
- £1,000,000 for a legacies equalisation reserve.
- £150,000 for the main electricity board in the hospice which requires a major upgrade.

24 Analysis of unrestricted funds: prior year

	At 1 April 2021 £	Income £	Expenditure £	Other recognised gains £	Transfers £	At 31 March 2022 £
Unrestricted funds						
Designated funds	256,100	-	-	-	4,009,900	4,266,000
General reserves	12,582,667	5,724,987	(3,978,591)	(57,943)	(3,975,953)	10,295,167
Total funds	12,838,767	5,724,987	(3,978,591)	(57,943)	33,947	14,561,167

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 Analysis of unrestricted funds: prior year (continued)

At 1 April 2021 the charity had a £256,100 designated fund brought forward (£256,100 carried forward) was the additional funding agreed by the Trustees for the Forget Me Not Centre. This was the difference between the total cost of the build and the generous donation by one of our donors.

In November 2021 the Trustees agreed on designated reserves in order to fund a number of items across the Hospice:

- £200,000 to upgrade the premises. The Hospice is now 36 years old and advanced maintenance is required.
- £2,000,000 to replace the roof. The roof is becoming past its useful life and needs a major repair or replacement.
- £80,000 to upgrade IT equipment and progress IT led projects to increase efficiency and productivity across the Hospice.
- £90,000 to invest in our staff in relation to training, CPD, health and wellbeing.
- £40,000 for additional projects across local hospices in order to streamline services and obtain efficiencies.
- £100,000 to upgrade our electrics in order to reduce future electricity spend.
- £1,500,000 to use as matched funding when applying for bids in order to develop our Hospice into its 40th year and beyond.

25 Analysis of restricted funds: current year

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
Restricted funds					
Fundraising grants	5,281	146,570	(89,711)	(62,140)	-
Forget Me Not Centre	678,411	-	-	(638,663)	39,748
Legacies	-	12,500	(12,500)	-	-
Total funds	683,692	159,070	(102,211)	(700,803)	39,748

The restricted fundraising grants received were for internal furniture, TV equipment, children's books and external garden furniture and plants.

The Forget Me Not Centre balance of £39,748 was the balance of our generous donor who paid for the majority of the capital build expenditure. The funding was split over 2020/21 and 2021/22 with the majority being in 2021/22. Amounts were transferred to unrestricted reserves in the year as a result of the build being completed, with the remaining funds relating to costs withheld until after the year end.

The legacy received was that for the funding of items of necessity for direct patient care.

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

26 Analysis of restricted funds: prior year

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Restricted funds					
Fundraising grants	-	56,686	(17,458)	(33,947)	5,281
Forget Me Not Centre	-	678,411	-	-	678,411
NHSE funding	-	1,766,105	(1,766,105)	-	-
Total funds	-	2,501,202	(1,783,563)	(33,947)	683,692

The NHSE funding was received by the Hospice from December 2021 to March 2022. This was funding due to the Omicron variant and was to ensure patients were being supported either in our inpatient unit or through our community services team, instead of being admitted to hospital.

27 Analysis of net assets between funds: current year

Group	Tangible & intangible fixed assets £	Fixed asset investments £	Net current assets £	Long term liabilities £	Total £
Unrestricted funds					
Designated funds	-	-	5,080,307	-	5,080,307
General funds	5,191,181	4,067,558	725,175	-	9,983,914
Restricted funds					
Fundraising grants	-	-	-	-	-
Forget me not centre	-	-	39,748	-	39,748
Total funds	5,191,181	4,067,558	5,845,230	-	15,103,969

Charity	Tangible fixed assets £	Fixed asset investments £	Net current assets £	Long term liabilities £	Total £
Unrestricted funds					
Designated funds	-	-	5,080,307	-	5,080,307
General funds	5,163,127	4,137,561	767,030	-	10,067,718
Restricted funds					
Fundraising grants	-	-	-	-	-
Forget me not centre	-	-	39,748	-	39,748
Total funds	5,163,127	4,137,561	5,887,085	-	15,187,773

ST JOHN'S HOSPICE NORTH LANCASHIRE AND SOUTH LAKES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

28 Analysis of net assets between funds: prior year

Group	Tangible & intangible fixed assets £	Fixed asset investments £	Net current assets £	Long term liabilities £	Total £
Unrestricted funds					
Designated funds	-	-	4,266,000	-	4,266,000
General funds	4,450,965	4,347,152	1,497,050	-	10,295,167
Restricted funds					
Fundraising grants	-	-	5,281	-	5,281
Forget me not centre	678,411	-	-	-	678,411
Total funds	5,129,376	4,347,152	5,768,331	-	15,244,859

Charity	Tangible fixed assets £	Fixed asset investments £	Net current assets £	Long term liabilities £	Total £
Unrestricted funds					
Designated funds	-	-	4,266,000	-	4,266,000
General funds	4,444,755	4,417,155	1,461,801	-	10,323,711
Restricted funds					
Fundraising grants	-	-	5,281	-	5,281
Forget me not centre	678,411	-	-	-	678,411
Total funds	5,123,166	4,417,155	5,733,082	-	15,273,403