

St Peter's Hospice

Annual Report and Financial Statements For the Year Ended 31 March 2021

Registered Charity number 269177

Registered company number 1191227

The Trustees present their report and the audited consolidated financial statements for the year ended 31 March 2021.

This report and financial statements comply with current statutory requirements, with the requirements of the Charity's governing document, and they have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and Charity SORP.

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Chairman's Report

After a tumultuous year, I am relieved to present such a positive annual report and accounts for St Peter's Hospice for the year ended 31 March 2021.

The COVID-19 pandemic had a very significant impact on the hospice. In the first few months, we were responding to daily changing guidance and instructions. In the face of the first lockdown, we suspended day services, closed all shops, postponed events, furloughed staff, re-designed community services into a consolidated team, reinforced the inpatient clinical teams, reinforced the 24/7 Advice Line, re-deployed some shop staff to support roles, battled to secure protective equipment and restricted visitors.

The overwhelming characteristic of the pandemic has been uncertainty – almost daily changing public health guidance, regular changes to the social restrictions, repeated closures of our shops, no timeline for events to restart, bureaucratic complexity around the government grants, somewhat chaotic supply of protective equipment, et al.

Faced with such uncertainty, we sought to stabilise our services around an 'interim position'. Day services remained closed and switched to a virtual service. In a stepped process we closed 5 beds, stabilising at an inpatient unit of 10 beds. We sustained our community teams, supported by additional funding from local commissioners. Many of our teams accepted gaps, reduced working hours and found budget efficiencies. We had to go through the painful process of making some colleagues redundant.

We went out to our communities and supporters through our When It Matters Most campaign. We worked hard to pull in as much government support as possible. In total, we received circa. £5.7m from the retail grant, furlough and hospice grant schemes. We generated £1.6m savings ourselves from reducing costs and the fundraising campaigns.

After a year of hard work, tenacity and resilience we end the year in a stable financial position - the result of substantial government support, our cost saving measures and our fundraising activities. Although the coming year has many uncertainties and our income is still recovering, there are good reasons for optimism including the vaccine rollout and the testing programmes. We are confident that we are secure as a going concern and we can manage the expected deficit in the coming year. The focus for the year ahead will be on finding a sustainable operating model for our future patients. As the NHS transforms into Integrated Care Systems, we will negotiate with local commissioners around our future services.

We have tackled an unprecedented year head-on and we are still standing. St Peter's Hospice has proven to be a highly resilient, adaptable and well-led organisation which is looking to the future with confidence and enthusiasm in equal measure.

We are deeply thankful to the people of Bristol and surrounding areas for their support and generosity through such an extraordinary year.



Peter Goyder
Chairman

Trustees' Report

Our Objectives and Activities

St Peter's is Bristol's only adult Hospice. We provide specialised care and support for patients with severe and progressive disease where curative treatment is no longer possible. Our commitment is to improve the quality of life of patients while extending care and support to their relatives. This year 24% (2020: 20%) of our charitable activity spend came from our local NHS CCG commissioned contract.

The Charity's purpose is set out in the company's Articles of Association, which were reviewed in 2014 and adopted on 26 February 2015. It is to promote the relief of sickness and in particular to provide services to support the physical, psychological, social and spiritual needs of those affected by life-limiting illnesses. We have interpreted these aims through our Ambition, Purpose, Strategic Intentions and Values.

Ambition

Our ambition is to support people to live well until the end of life.

Purpose

Our purpose is to give adults in our communities the support, comfort and dignity they need at the end of their life.

Strategic Intentions

We have set our strategic intentions:

Be the best we can be

- Be responsive and strive to keep improving.
- Strengthen our commitment to well-being, inclusion, equality, diversity and the environment.
- Develop our colleagues, leaders, managers, teams and partners.
- Grow our distinctive reputation as an icon of Bristol.
- Maximise the use of volunteers to enrich our services.

Be sustainable (income matches costs) and resilient (withstand shocks)

- Sustain the ethos of holistic care, whilst balancing affordability and productivity.
- Build a diverse, innovative and sustainable funding portfolio.
- Develop the case for improved statutory funding.
- Ensure our cost base matches our income.
- Manage our cash, reserves and investments well.

Build collaborative services that reach all communities

- Provide great community and inpatient care, every day.
- As leaders of end-of-life-care, build strong relationships with the NHS.
- Work collaboratively with partners to integrate our services.
- Provide collaborative, flexible and responsive services.
- Share our expertise, role model best practice and educate colleagues.

Values

Excellence - to strive to be the best we can, listen, learn and innovate.

Compassion - to show understanding and care in everything that we do.

Respect - to value everyone and embrace the value of our differences.

Passion - to be proud of our work and the impact we have.

Collaboration - to work as one team - built on shared goals and effective relationships.

Main Activities

We provide a number of services free of charge in Bristol, North Somerset, South Gloucestershire and Bath and North East Somerset to people suffering from life-limiting illnesses and those affected by this such as families and carers. These services include:

- a 15-bed (currently 10 beds, as part of the 'interim position') Inpatient Unit staffed by specialist palliative care multi-disciplinary team;
- a Day Services programme, attended by out-patients one day per week for 12 weeks, which aims to provide a therapeutic environment to support patients in living with their illness (currently delivered virtually);
- A medical team providing support to a range of clinical services;
- Hospice at Home, providing hands-on care for patients in their own homes in the last days of life;
- Community Nurse Specialists who visit patients in their own homes;
- Patient and Family Support which provides social work, spiritual, bereavement and therapy support to patients, families and carers;
- 24/7 Advice Line open to all callers including health professionals and people not registered as St Peter's patients; and
- Education Department which provides extensive education to internal staff and other health professionals (including nurses, doctors, physiotherapists, care homes, ambulance staff) from the region we serve.

Ensuring our work delivers our aims

The aims, objectives and activities of the Charity are reviewed each year. These reviews look at what we have achieved and the outcomes of our work in the previous 12 months. The review helps to ensure the Charity remains focused on our stated purpose. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

How our activities deliver public benefit

Our charitable activities are focussed on offering free holistic care, support and advice to people and their families in the Bristol and surrounding areas affected by life-limiting illnesses. Our activities are undertaken in pursuit of our charitable purpose for the public benefit. Our work often continues with families and carers after the patient has died.

Strategic Report

Achievements and Performance

The most significant achievement of 2020/21 was sustaining our patient services through the pandemic storm. Although we stabilised our services around a reduced 'interim position', we have sustained our community and inpatient services throughout the pandemic without a break. Our community teams operated through a mix of home visits and virtual calls. In a stepped process we closed 5 beds, stabilising at an inpatient unit of 10 beds. We maintained visiting arrangements for patients' families and loved ones throughout the pandemic. We closed day services and switched to a virtual service. The 24/7 Advice Line has operated without any interruption, often facing exceptionally high levels of demand. We are most proud of this collective achievement.

It was a remarkable achievement to conclude the year with a stable financial position. Almost until the last day of the financial year, our financial position was uncertain. When the pandemic hit, we immediately realised that our budget forecasts were no longer valid. We faced the loss of income from closed shops and cancelled fundraising events. We set about working through two financial scenarios – optimistic and pessimistic. We engaged the government retail grant and furlough schemes, as well as the government grant programme for hospice care capacity. We negotiated with local commissioners to ensure that we sustained our community services. Many of our teams (including the executive team) accepted gaps in their structure, reduced working hours and found budget efficiencies. We went through the painful process of making some colleagues redundant. We worked hard to find innovative new ways to raise funds and went out to our local communities through our When It Matters Most campaign.

The resilience, commitment and tenacity of our staff has been humbling to witness. Our clinical staff have been magnificent. We would not have been able to sustain our patient services without the dedication of our support staff – who have cleaned, cooked, administrated, financed, maintained and gardened their way through the pandemic. Our retail staff have been extraordinary – managing three closures and re-openings of our shops, organising donation stations during the lockdowns, sustaining our on-line retail operation, maintaining the house clearance service and helping to organise the supply of protective equipment.

The key people challenge has been managing a 'mixed economy' of teams with some people in the workplace, some working from home, others furloughed, some shielding and others going through a range of experiences. For some people the pandemic has been relentless, for some it has been a rollercoaster of ups and downs and for others it has been an anxious wait (as they have shielded – especially our older volunteers). Our challenge now is to support our teams through a period of recuperation-decompression, so that they can start to put this period of prolonged intense anxiety and stress behind them and are able to face the challenges ahead.

Patient care activity

Year	2020/21 No.	2019/20 No.	% Change
Number of new referrals	2,912	3,069	-5%
Community Nurse visits (Face to Face)	1,737	6,770	-74%
Community Nurse Telephone Consultations	20,553	14,469	+42%
Inpatient Occupancy *	89%	90%	-1%
Inpatient Unit bed days occupied	3,754	4,936	-24%
Hospice at Home care hours	14,920	19,415	-23%
Day Service attendance **	463	1,855	-75%
Advice Line calls	6,386	3,999	+60%

*IPU reduced from 15 beds to 12 beds in June 2020 and then stabilised at 10 beds from September 2020.

**Virtual attendances only

Patient Services

Through the whole of 2020/21 we have been focussed on sustaining our patient services, through ever-changing adjustments to the demands of social distancing, protective equipment and clinical management.

We started the year with a 15-bed inpatient unit. Through the first lockdown, we sustained the 15-bed unit in the face of daily changing guidance and while struggling to secure sufficient protective equipment. We adjusted visiting arrangements by reducing the number of visitors, restricting visiting times and providing visitors with protective equipment. We are particularly proud that we have sustained visiting arrangements (albeit restricted) throughout the pandemic. By the summer, it was apparent that we faced significant financial uncertainty. After negotiating with the NHS commissioners, we stepped the inpatient unit down to 10 available beds. This 'interim position' was implemented in September 2020 and we committed to sustaining this level of service through the pandemic. We had one outbreak of COVID-19 amongst staff, which we managed with local public health staff. We are very proud that no patient or family member contracted COVID-19 from their contact with the hospice, at any stage during the pandemic.

We began the year with four Community Nurse Specialist (CNS) teams, positioned across our area, providing specialist end-of-life-care for patients in their homes, in care homes and in prisons. In the face of the pandemic we quickly adjusted to a whole team approach, away from individual caseloads. In order to improve cross-team support, we consolidated into three teams. The teams rapidly adjusted their ways of working to embrace virtual calls, in addition to home visits. Our teams have faced intense pressure as many patients have felt impacted by the overall reduction in face-to-face visits (with many GPs needing to restrict home visits), resulting in greater demand on our staff and community nursing teams. They have faced much greater levels of clinical complexity as patients are referred to us later in their diagnosis and more patients are keen to stay at home, to avoid the perceived risk of going to a clinical setting. Our teams have been under intense prolonged operational pressure.

Our Hospice at Home team has provided hands-on care for patients in the last couple of weeks of their life. They have cared for patients on day and night shifts, prioritising care according to need. Early in the pandemic, they faced sustaining their service with

limited protective equipment. In order to support the stretched NHS services, our teams have offered additional enhanced support to patients that might ordinarily have been provided by GPs or district nurses. Just prior to the pandemic, the Clinical Commissioning Group invited St Peter's Hospice to take over the NHS/Sirona community home support teams in order to create a single coherent service. The transfer of staff is due to take place on 6 April 2021.

The 24/7 Advice Line has provided specialist end-of-life-care advice for anyone who has needed it. The demand has varied markedly through the pandemic and we have had to be agile in responding to that demand. Most notably, the Advice Line support has been highly sought after by wider health professionals such as paramedics, GPs, district nurses, community health staff and care home staff.

The first service impacted by the pandemic was our Day Services as it was not appropriate to bring at-risk patients on to our hospice site. Some of the staff moved across to the inpatient unit, to reinforce our inpatient care. In response, we developed and rolled out a virtual service.

We had 225 responses to our patient survey (www.iwantgreatcare.com), of these responses, 88% rated the service they received as 'very good', and 8.8% 'good'. We received 6 written and 4 verbal complaints and 9 concerns were raised that were resolved at the time they were raised. In addition to the positive feedback through I Want Great Care, we received 171 written compliments (cards, letters and emails).

Education

The Education department is a key resource within St Peter's, focussed on improving the standards of end-of-life care within our own staff as well as external health professionals.

Almost immediately, the pandemic caused the cancellation of education events for external groups and significantly impacted our internal programme. The Education Team was re-deployed to support the IT team and the Infection Prevention & Control team. It soon became apparent that a major challenge would be the fit testing of clinical staff for protective equipment. This testing has been a significant additional burden through the pandemic.

Supporting and funding the Hospice

Fundraising

2020/21 was an unprecedented year. The level of uncertainty around fundraising streams, our events, our fundraising programmes was a constant throughout the year. The public response to fundraising, the ability to hold events, the take up or not of online and virtual fundraising and the huge shift in the corporate and Trusts markets led to an ever changing set of scenarios. We managed to work our way through the challenges, displayed agility and long term thinking and ended the year beating our original pre COVID-19 budget and generating a net contribution of £2,147,000 (2020: £1,541,000).

We decided in the early summer months not to go out to our community with an emergency appeal due to so many uncertainties - lockdowns, appetite for fundraising and government grants. Instead, it was decided that we would take our supporters with us on the journey we were on and we started a 12-month fundraising and media campaign in October – When it Matters Most.

Key areas of success from this activity were donations from Trusts and from individuals. £423,000 has been received in the year ended 31 March that can be directly attributed to the campaign. We know that the halo effect of this campaign, being in the community, in the media and being shared with our supporters led to an increase in Trusts and Major Donors and corporate support. Our Trust income was £553,000 (2020: £173,000) and our donations from individuals and in memoriam was £1,301,000 (2020: £880,000)

Income from fundraising events fell by £298,000 this year to £523,000. Fundraising events were either fully virtual or a blend of virtual and physical where possible and we very successfully moved the annual Christmas market from a physical site to a virtual market.

Overall the team have reacted brilliantly to the changing environment and have the results to show for it, but most importantly our supporters moved with us and showed true support for us when it mattered most.

Legacies income (gifts in wills) fell by £1,336,000 to £1,388,000 this year. We continue to invest in legacy marketing and stewardship into 2021/22.

This year as much as ever we continue to be extremely grateful to our dedicated volunteers, who have worked remotely and in the office with all our fundraising activities, through making and crafting for our events to processing income and money at our Long Ashton office.

St Peter's Hospice undertakes its fundraising activities in accordance with best practice and in line with Codes of Fundraising Practice. The Fundraising Regulator, the independent body that sets and maintains standards of appropriate charitable fundraising in the UK, issued a new Fundraising Code in October 2019 which we reviewed closely and we have ensured we comply with all the new rules.

St Peter's Hospice continues to be registered with the Fundraising Regulator, and we adhere to the 'fundraising promise'. We take the management of data very seriously and conform to Data Protection legislation. We only collect and use personal information for the purpose it was intended. We do not buy data or pass any of our data on to third parties. We send out three newsletters a year and that, along with all other correspondence, is tailored based on the interests and wishes of the donor.

We continue to ensure compliance with General Data Protection Regulations (GDPR) and closely monitor and govern our policies and practices relating to personal data, including our consent mechanisms and fundraising database protocols. We continue to use legitimate interest as our legal basis for contact and follow the principle of only communicating to supporters about activities we believe they would be interested in. We provide all of our supporters with clear and easy opportunities to change their communication preferences at any time and our Privacy Notice, outlining how we use supporter data, is available on our website or by calling our reception. We also have a complaints procedure should any supporter wish to raise an issue or complain about our fundraising activities. During 2020/21 we received 7 complaints relating to our fundraising or communications practices.

In addition to fundraising from individuals, St Peter's Hospice also raises funds from trusts and foundations, companies and institutional donors. Funds raised are used according to donors' wishes, either for unrestricted purposes or earmarked for specific projects or programmes of activity. St Peter's Hospice complies with contractual arrangements with supporters, and has robust internal systems in place to ensure that we meet reporting requirements and grantee commitments. Some supporters or partner organisations may also request anonymity. St Peter's Hospice will always respect and adhere to these requests.

In communicating our work to supporters, we also recognise that the users of our services can be vulnerable and require protection from harm, abuse and exploitation. The privacy and dignity of our patients is a foremost consideration as is sensitivity to their needs and wellbeing as both individuals and citizens of the community. Our safeguarding policy governs how we approach this matter and our contract with the Professional Fundraising Organisation also includes strict processes in relation to vulnerable people.

Retail

The trading year 2020/21 has been a rollercoaster of a year with peaks and troughs as with any other retail business. The end result has meant that our retail operation of 47 shops, eBay and Gumtree shops and house clearance has achieved a net deficit of £2,598,000 (2020: surplus of £1,753,000).

This figure however no way reflects the extreme hard work of the team in generating sales. The most important thing to say is that when the shops were able to be open they were exceptional on many levels with record breaking weeks and phenomenal sales in some areas.

The majority of our shops were shut for almost nine months of the year, and our eBay, Gumtree and house clearance arms only operated when it was feasible from a financial and safety point of view. We went through the upheaval of closing stores, negotiating with landlords and the myriad of rules and restrictions to reopening as soon as we could.

The stars of retail were definitely the teams and volunteers. Putting behind them their own fears and concerns they were all absolutely driven to make their own stores a success and did a fantastic job in difficult circumstances.

We have taken the downtime of the shops to make decisions about the overall portfolio and we have closed two stores this year – Bedminster Clearance and Chipping Sodbury Broad Street. We will continue to review the portfolio in terms of looking for larger, more profitable sites in areas where we feel we can garner the support for new stores.

Our new Gumtree business goes from strength to strength and offers us a shop window for goods from house clearance that we previously didn't have an outlet for. Our House clearance business continues to grow with full bookings throughout the second half of the year and a strong plan for 2021/22.

Support

Finance is leading on the strategic objective to achieve sustainability and resilience. During the year a detailed delivery plan has been developed and work started with income generation and support areas.

We also changed our IT managed service provider. The new service went live in July 2020. The decision to change during the pandemic was considered very carefully. We are very happy to state that, through the newly developed technology infrastructure roadmap, we have improved security, reduced risks and improved the service to our users. It has also meant that we have been able to make more improvements sooner, including improved remote working capabilities and supporting the shops tills replacement programme.

We began work on IT journey mapping focusing on retail operations. This has resulted in a clear technology delivery plan to support the retail business objectives.

The Charity maintained compliance with the NHS Data Security and Protection Toolkit.

Future Plans

General

Prior to the pandemic, we had concluded the rebuild of the inpatient unit and so we had set about a strategic review of our intentions, goals and plans. Despite the intensity of the first lockdown, we felt it was important to provide staff with clarity around our purpose and strategic intentions. We persevered with our strategy work and published a short strategic plan in June 2020 which outlined our ambition, purpose, strategic intentions and values.

In September 2020, we established an 'interim position'. The aim was to provide clarity for our patients, families, staff, volunteers, commissioners, donors and supporters on

the services that we would commit to delivering through the pandemic. At the same time, we would reduce costs in order to minimise any potential deficit and we would buy time to consider our long term position. The key elements of the 'interim position' were:

- No cost of living pay increase for 2020/21.
- Review of the senior management team.
- Explore all viable voluntary staff savings.
- Hold inpatient bed availability at 10 beds.
- Day Services closed on-site, with virtual services. Hold vacancies.
- Move to three CNS teams.
- Match the support services resources to the clinical interim measures - catering, cleaning, estates, finance, education.
- Review the Long Ashton site (fundraising, marketing and retail support).
- We expected the interim position to be for a minimum of 12 months, although we identified that we may need to hold our interim position for 18 months or more.

St Peter's Hospice has been serving Bristol for over 40 years. Our work will remain a vital component of the local health and care system. We have tackled an unprecedented year head-on and we are still standing. We now must build a sustainable (where costs match income) and resilient (able to withstand shocks) model of hospice care so that we are always there when it matters most for our communities.

We are confident that we are secure as a going concern and we can manage the anticipated deficit in the year ahead. The focus for the year ahead will be on finding our new normal, to deliver a sustainable operating model for our future patients and their families and loved ones.

Hospice at Home

Through the pandemic, we have successfully delivered a major improvement to the end-of-life care services for Bristol, North Somerset and South Gloucestershire. In late 2019, the Clinical Commissioning Group proposed that St Peter's Hospice should take over the NHS/Sirona palliative home support teams in order to provide a single consolidated Hospice at Home service across the area. We were in the early stages of that project when the COVID-19 pandemic hit. We have worked hard with NHS and Sirona colleagues to progress the project, despite the uncertainties and frictions of the pandemic. On 6 April 2021, the teams will transfer to St Peter's Hospice and we will set about building a high quality consistent service. This will represent a major improvement in service provision and will further develop our integration with the health and social care system.

Fundraising

"Getting back to the Future and not to Normal" will be a key focus for us over the next year. Building foundations and new initiatives is the plan for 2021/22 as we look at the effects of COVID-19 on our fundraising and build on the learnings and success of the last year. We will be continuing with the "When It Matters Most" campaign in order to keep our supporters informed of our situation and the challenges ahead for the provision our care services.

Legacies will continue to be a focus for us as we build up our pipeline and steward those that have already pledged. We want the potential legator to know the impact their legacy will have on the people of Bristol. We also need them to understand the importance of this income stream to us as an organisation. We will not shy away from legacy messaging within the IPU and within the information given to patients and families. We will continue to participate in the free wills service offering and have also partnered with an online will partner, removing barriers to individuals to write a will and formally secure their wishes.

We launched our new website in the summer of 2020 and we will spend the next year refining the site and ensuring that both patient, family and donor journeys are clear and easy to follow.

Retail

Once we are back up and running again we will be revisiting our retail portfolio to identify opportunities to drive retail profit across the Bristol market. This can be achieved by ensuring we have an up to date view on our current portfolio and a clear plan to establish where we can focus and expand our store base. We will also review our store concepts with a specific focus on boutique, furniture and clearance stores.

Commercially we continue to push ahead in other retail channels. We will expand house clearance with a clear focus on driving sales of goods and in looking at how we maximise gift aid within this business.

New goods and our online business has been a background focus throughout the last year and we look to increase the sell-through of our new good ranges and create some fantastic options to sell online.

Marketing and Communications

The Marketing and Communications Team contribute significantly to the overall Hospice emphasis on clarity of messaging and ensuring we are enhancing and protecting our reputation and brand across many of the areas we work. We are acknowledged for excellent hospice care provision and we need to leverage that to ensure we are well known across all Bristol communities for the breadth of care we provide in all settings.

The team will continue to tell the stories behind the Hospice, using all channels and forms of media (press, film, social media and our retail stores) to ensure that old and new audiences have clarity on our purpose, vision and values as an organisation.

Support

In the coming year Finance expect to continue to lead on activities in respect of sustainability and resilience. This includes financial modelling of clinical operating models as well as defining a suitable approach for the Charity to adopt in respect of procurement and supply chain management, as well as a detailed supplier review to identify tactical opportunities for cost savings.

We also aim to continue to develop IT journey mapping with other areas of the business including, in particular, clinical services. We also aim to understand how data can help deliver the strategy and will develop a strategy delivery plan for data.

Our People

Volunteers

We are supported by over 1,500 volunteers, who provide significant benefit to the hospice. They are employed in a variety of roles including café staff, shop assistants, drivers for patients, complementary therapists, gardeners, ward assistants and receptionists. We continue to attract high quality and committed volunteers who this year worked 192,000 hours for the St Peter's Hospice and drove 55,000 miles.

We have been humbled by the support and commitment of our volunteers through the pandemic. Some of our older volunteers had to pull back and shield. However, volunteers were able to step forward and support us in new roles such as the management of protective equipment and the testing programme. Many other volunteers continued to support us in our reception, patient transport, shops, online retail, retail logistics and gardens. We are incredibly grateful for the support we have received from volunteers through the pandemic.

Remuneration Statement

The Hospice exists in order to provide care and support for adults with life-limiting illnesses and for their families. The provision of these services is dependent on our ability to run an efficient organisation and to generate income through fundraising and retail activities.

In order to be successful in all respects, we need to be able to attract and retain staff with a wide variety of skills, knowledge and experience, some of which is highly specialised.

We aim, therefore, to be competitive in the different recruitment markets where we compete for talent and to take a balanced and responsible approach to the use of the Charity's funds.

In accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Charity SORP 2015, St Peter's Hospice discloses:

- all payments to trustees (no Trustees receive "pay");
- the number of staff in receipt of more than £60,000 (in bands of £10,000); and
- pensions and other benefits.

In 2020/21, we were unable to award a cost-of-living increase for staff. We were humbled by the understanding of staff around our financial position and of this decision. Looking ahead, we have approved a cost-of-living pay increase of 1.5% for 2021/22. This pay award was decided following a very careful review of what was affordable for the Hospice, combined with our desire for staff pay to keep pace with inflation, and conscious that there was not a pay award in 2020/21. We hoped that the pay award would go some way towards saying 'thank you' to our staff for their commitment and resilience through an extraordinary year.

The Hospice has a Governance Committee which meets twice a year and requires the attendance of at least three Trustees to be quorate. One of the responsibilities of this committee is to review and determine the salary and remuneration package of the Chief Executive and senior management of the Hospice. Such decision-making is based on consideration of salary information shown in independent benchmarking surveys. Currently the prime source of such information is the UK Charities Salary Survey administered by XpertHR.

Trustee recruitment

The Governance Committee is responsible for monitoring Board composition and reviews the schedule of trustee appointments as a standing agenda item at its bi-annual meetings. It considers forthcoming reappointments and retirements and thus identifies future recruitment needs, specifically addressing skillset requirements. A variety of recruitment methods are used. Interested potential trustees are invited to visit the Hospice when they are briefed by the CEO about the Hospice's charitable purpose, its activities and the trustee role and commitment. If the potential trustee then wishes to pursue the role they are introduced to at least 2 serving trustees with whom they can have separate discussions to gain further insight. If these serving trustees and the potential trustee agree to the nomination, it is voted on by the Board. Successful nominees are then given a day's induction which includes meeting all senior management and further familiarisation with the roles and responsibilities of trustees. External training and development opportunities are regularly made available to trustees.

In the final quarter of 2020/21, we openly recruited for new trustees as replacements for a number of departing trustees. At the Board in March 2020, three new trustees were confirmed, one of whom has BAME heritage. We also have two new co-opted members who will join committees and may become full trustees in due course, one of whom has BAME heritage.

Financial Review

We faced an unprecedented year, during which we managed our position through scenario modelling – optimistic and pessimistic scenarios. The level of uncertainty was such that there were wide variations between the financial scenarios. We responded by reducing some services (adopting an 'interim position'), making savings, increasing efficiency, negotiating with local NHS commissioners, engaging our supporters and donors, and working hard to draw in every potential source of government support.

By the end of March 2021, we had pulled every lever that we could and had been highly successful at steering the hospice to a break even position. At that moment, we still did not know what final grant payments we might receive from NHS England. At the end of May 2021, we received three one-off grant payments totalling £649,000 in respect of the period November 2020 to March 2021. We therefore concluded the financial year with net income before investment gains of £649,000.

The end of the year saw an unprecedented unrealised gain on our investment portfolio of £3,890k (2020: loss of £959k). This has allowed us to curtail our cost cutting exercise and to put a roadmap in place to re-open the five inpatient unit beds that were closed as a result of the extreme uncertainties in our finances caused by the pandemic, and the reduced demand. We will drawdown from our reserves to cover the current funding gap. This is so that we can continue to offer as much capacity as possible, at our Brentry site and also in the community filling the gap left by the NHS as they continue to fight the pandemic and its effects. Longer term work continues on building a sustainable operating model that meets the growing needs of our community.

The net income achieved by the Group of £4,539,000 includes:

- Net income before gains of £649,000, which is stated after government grants of £5,749,000. Without those one-off grants the result would have been a net deficit of £5,100,000. Also, the cost saving measures and fundraising campaign together contributed £1,551,000 to this result.
- Gain on investments of £3,890,000. This gain offsets a loss in the previous year.

Income

Operating income decreased by £1,444,000 to £15,243,000. All our shops were shut on several occasions due to the restrictions in place. This resulted in lower income of £2,758,000. The fundraising campaign generated an additional £423,000 in income. Government funding provided as a result of COVID-19 was £5,749,000 in the year.

Investment gains of £3,890,000 are due to a number of factors including recovering the losses of last year as well as the changes to the investment mandate and fund managers driving improved performance on all funds.

Charitable activities

Total charitable expenditure decreased by £1,551,000 to £14,594,000. Due to the increased uncertainty in income streams the Charity took the decision to perform a review of its costs and that resulted in several cost saving options being identified and implemented, including some redundancies. In addition, some costs were not incurred as income generation activities were suspended, amended or postponed.

Financial Outlook

The financial result for the year was £649,000 before investment gains. This extraordinary and positive result is due to the significant level of government funding received. This reflects the role of hospices within the healthcare system. It is not expected that this level of government support will continue into 2021-22.

Financial budgeting and forecasting is a very difficult task as we continue through the pandemic. The future outlook cannot be stated with any certainty and this is in part due to the unknown recovery of the retail income stream. The Hospice is going through a strategic exercise in respect of sustainability and it expects to develop options that will deliver a financially sustainable model over the next 12 -24 months. While we are working on developing a sustainable operating model, we will utilise our reserves to cover any funding gaps, allowing us to re-open the five closed beds as soon as we are able.

Principal Risks and Uncertainties

The Board has a formal risk review management process to assess organisational risks and implement risk management strategies. Review of the corporate risk register is a standing Board agenda item. This involves identifying the types of risk the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of eliminating or mitigating the risks as appropriate.

The Board has delegated the detailed work to the Senior Management Team and directed that an on-going review be performed at least once a year and reported to the Board. In addition, the Board selects one risk per meeting to review in greater detail.

The single biggest issue facing the Charity continues to be COVID-19 together with its attendant risks. Risks and uncertainties exist at all levels; strategic, operational, financial. It is unclear how we will have to adapt our strategic intentions to meet the changing landscape within the healthcare system that we operate within. It is unclear how long it will take our income generation activities to recover and whether they return to previous levels. It is unclear the long term impact on investments. It is clear that there is a need for hospices within the healthcare system and that is evidenced by clear commitments from government and the NHS CCG to provide financial support to us. It is also clear that our investment levels are resilient in that they can withstand the level of shock seen in February and March 2020 and still be sufficient to support the Charity.

Section 172 Companies Act 2006

This report sets out how the Trustees comply with the requirement of Section 172 Companies Act 2006 and how these requirements have impacted the Board's decision making in the year ended 31 March 2021.

The Role of the Board

The Board must act in the Charity's best interests to ensure the delivery of its charitable objectives. The Board's role is to oversee the overall management of the Charity whilst the Executive Team manage the day to day operations of the Charity. Further details of the structure of the Board are given in the 'Structure, Governance and Management' section of this report below.

Activities of the Board

The Board has made principal decisions impacting the future of the Charity in line with the strategic intentions of the Charity.

Section 172	Decisions / interactions
(a) the likely consequences of any decision in the long term	This year's budget was approved by the Board following a comprehensive review of the Charity's strategic intentions, risks and opportunities. Input was required from each of the Charity's budget holders who have responsibility for ensuring that expenditure is within approved budget limits.
(b) the interests of the company's employees	<p>The Charity ensures that employees and volunteers are consulted and provided with appropriate information in order that they are fully involved in the performance of the Charity and are aware of factors affecting the organisation. The CEO follows an open framework of engaging staff including open Q&A sessions for staff at the two main sites, visits to every team and every shop, shadowing and working alongside clinical staff and support staff, CEO video updates and periodic newsletter updates to staff. This year, a Managers Group with all senior and middle managers to engage them in planning, to explore issues through workshops and to support their leadership development. The Charity operates an open culture and the Chief Executive encourages staff to have open channels of communication with him. When policies are revised or updated these are circulated to all staff.</p> <p>When appropriate, specific mechanisms for staff input are provided. For example staff and volunteers have been invited to contribute via various channels to discussions on how we want the hospice to feel and what our values should be. A biennial staff survey is held; this is run by an external company, Birdsong, which surveys a large number of hospices and other charities allowing us to benchmark responses against a peer group.</p>
(c) the need to foster the company's business relationships with suppliers, customers and others	<p>The Board regularly reviews how the Charity maintains positive relationships with all of its stakeholders, including patients, families and carers, funders, supporters, suppliers, customers and others.</p> <p>Our Patients, families and carers are key stakeholders. It is vital that we have strong relationships with this group. The Charity does a huge amount of work in this area as detailed in our separate annual report "St Peter's Hospice Quality Account" that can be found on our website. The aim of the report is to give clear information about the quality of our services so that patients can feel safe and well cared for, their families and carers are reassured that all of our services are of a very high standard and that the NHS is receiving very good value for money.</p> <p>Our funders are key stakeholders with which the Charity actively engages to maintain strong relationships. A key funder for the hospice is the local NHS CCG. The Board engages with the local NHS CCG each year in order to negotiate the annual funding for the hospice.</p> <p>Details of how we engage with our donors is given above in the 'Supporting and funding the Hospice' section of this report.</p> <p>The Charity regularly engages with Hospice UK and other hospices. This enables improved purchasing power for the hospice sector. It is also a platform for sharing best practice.</p>
(d) the impact of the company's operations on the community and the	An Environmental Working Group ("EWG") has been formally established with an objective to recommend measures to be incorporated into Hospice Policy and Procedure across hospice wide activities. It is comprised of staff and volunteers and will report into the Executive Team on its recommendations and progress on a regular basis. Further details of our work to reduce our

environment	<p>environmental impact are given below in the 'Streamlined Energy and Carbon Reporting' section of this report.</p> <p>The Clinical Community Engagement Lead (CCEL) project role sought to increase understanding of our local community's needs and engage widely with minority groups to prevent inequality, champion inclusivity and learn how as an organisation we can respond to the needs of our community better. The dedicated time that this role provided led to strengthened partnership working with key local healthcare teams and has begun the long term path of authentically partnering with our local communities. During the COVID-19 pandemic such partnerships provided a platform for sharing knowledge which enhanced our care response and support for staff. Due to the established relationships within the CCG the CCEL was also requested to lead on significant system responses, such as lead authoring a new BNSSG care policy for people dying at home and chairing one of the CCG COVID response groups. During the lifetime of the Project role, and the realisation of the significant impact of having dedicated resource for clinical community engagement, a permanent role was realised as part of a restructuring process.</p> <p>The post holder was also successful in a national grant application to fund a project to improve the access and equality of access to St Peter's Hospice services for people experiencing street homelessness and living in hostels in Bristol. Despite the significant impact which the pandemic has had on this project frequent contact with local homeless healthcare providers has resulted in multiple discussions about people whose health is of significant concern, referrals to our service and an improved knowledge of St Peter's Hospice's care by local homeless workers.</p>
(e) the desirability of the company maintaining a reputation for high standards of business conduct	<p>The charity's ambition is to support people to live well until the end of life.</p> <p>We are committed to recruiting, developing and retaining high quality staff. This are signatories to the Bristol Equality Charter in order to promote equal opportunities and celebrate diversity within all areas of our work. The aim is to ensure that all procedures and practices do not discriminate on the grounds of race, disability, religion, age, nationality, sex, sexual orientation and marital status. Where an employee or prospective employee is identified as disabled, the provisions of the Equalities Act are followed. This requires consideration of reasonable adjustments to the workplace and working practices in order to ensure that a disabled employee is not disadvantaged. In such cases, advice is sought from Occupational Health Services and, where appropriate, other medical practitioners and discussions are held with the affected employee. We strive to ensure that our properties have good disabled access and facilities. We continue to benefit from relatively low staff turnover and sickness levels, although we monitor them continuously.</p>
(f) the need to act fairly as between members of the company	<p>The Board ensure that decisions made regarding the future of the charity give due consideration to both current and future beneficiaries of its services. Details regarding the Charity's policy on Trustee recruitment are found below in the 'Our People' section of this report.</p>

Structure, Governance and Management

Governance and decision-making

St Peter's Hospice is a company limited by guarantee and without share capital. The company was registered with the Charity Commission on 7 April 1975.

The governing body of the Charity is the Board of Trustees, which comprises up to 12 members and meets four times a year or more if required. The Board has established formally constituted committees, each with specific terms of reference and functions delegated by the Board and with a Trustee as a chairman appointed by the Board: Resources, Investment, Audit, Governance and Clinical Services. Our Articles of Association were revised and adopted on 26 February 2015 and have been registered with the Charity Commission.

During the year the Charity conducted an independent review of the Board's performance. This resulted in a report to the Board and it was decided that there would be a task and finish group created to ensure all recommendations are implemented.

Trustees (who are also Directors of the company) are listed on page 46.

The Charity also has a number of senior employees entitled Director who are not directors within the meaning of the Companies Act 2006.

Reserves policy

The Board reviews the Reserves Policy through the Resources Committee.

The key principle is that we will maintain our ability to quickly recover from financial shocks and stress.

During the year the Resources Committee reviewed the reserves structure and policy and made recommendations to the Board that were approved. These financial statements now reflect the amendments to both structure and policy.

The review was initiated as it was recognised that the free reserves calculation did not take sufficient account of investment or legacy volatility and possible time to recovery or the significant commitment in retail rents. The review also considered the suitability of other designated reserves such as the capital reserve and development fund.

The review concluded that the structure of the reserves should be adjusted to include a risk management fund and that the development fund will be repurposed to include capital and project funding.

The risk management fund is set up so that it can provide funds in the event legacy or investment income drops and ensure that retail rent commitments can be paid should retail income drop. The target level for this reserve is set at £5.8m:

- £2.0m for legacies, representing £0.5m over 4 years. This is based on the annual average large one-off legacy received each year;
- £2.2m for investments. This is based on a 30% drop of non endowed investments ;
- £1.6m for retail lease commitments. This is based on actual lease commitments.

As at the year end this reserve is fully funded.

The capital and projects fund target is set at £675,000. This represents 80% of the next 2 years' anticipated capital and 80% of an estimate of expected project costs. The target is not set at 100% as the Charity expects to fundraise for capital and project costs. As at the year end this reserve is fully funded.

The free reserve target is set at £2.8m and this represents 20% of budgeted non rent expenditure. As at the year end the free reserve level is £6.6m. This is £3.8m higher than the requirement. The Charity believes it is appropriate to hold this higher amount whilst the financial impact of COVID-19 remains highly uncertain.

Investment policy

The latest Investment Policy and Mandate was approved by the Investment Committee on 26 March 2019. Our overall investment objective is to provide sufficient liquidity and total returns (income and capital gains), with an acceptable level of risk, to enable the Charity to carry out its activities effectively in both the short-term and long-term.

Short-term:

The key short-term objective is to invest sufficient capital in lower risk, liquid and unrestricted assets, in order to meet anticipated operating cash shortfalls and capital expenditure requirements over a 1-2 year time horizon.

Long-term:

The Charity has decided to apply different investment objectives for the long term for endowed and unrestricted funds:

- The investment objective for long term unrestricted funds is to generate a return of RPI+2% net of all expenses.
- The investment objective for long term endowed funds is to generate a return of RPI+4% net of all expenses.

The key risk to long term funds is inflation. The investment portfolio should be invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that the capital value will fluctuate and can generate losses within any financial year. The Charity is able to tolerate such volatility as it has working capital and short term funds. The Charity may draw down from the long term unrestricted investment portfolio. It would only do so if the working capital and short term funds were not sufficient for its needs, and the Charity deems that no other mechanism is appropriate (i.e. a loan).

Our long-term financial portfolios are managed by appointed investment managers, on a discretionary basis, and are subject to an investment mandate in respect of asset allocation, risk, benchmarking and restrictions.

It is recognised that the financial risks of the Charity as a whole need to be considered and, therefore, the investment policy supports the requirements set out in the reserves policy.

Investment performance

Investment income decreased by 36% to £302,000 (2020: £475,000) and that was mainly due to a capital drawdown of funds as well as some impact from COVID-19. Net gains totalled £3,890,000 (2020: loss of £959,000). The increase in value is due to the global market reaction to the COVID-19 pandemic. Our investment performance (total returns) versus benchmarks over the last five years is as follows:

	2020/21	5 year Annualised Returns to 31 March 2021
<u>St Peter's Hospice performance</u>	%	%
Discretionary Portfolio	22.56	9.40
John James Endowment	31.63	10.22
Needham Cooper Endowment	29.50	10.44
Charities Property Fund*	0.96	5.12

Benchmarks

UK RPI + 2%	3.50	4.65
UK RPI + 4%	5.52	6.70
WMA Income	19.67	7.02
WMA Balance	22.80	8.04

*Charities Property Fund 2020/21 return only covers the 9 months until 31 December 2020 when the last of the holding was sold. The 5 year annualised figure also reflects this 3 month deficit.

Streamlined Energy and Carbon Reporting

During the financial year, progress on the hospice vision for environment and sustainability has been impacted by the pandemic. The hospice is reviewing the implementation of electrical charging points at our sites.

Methodology

Our charity shops, warehouse, hospice site in Brentry and Long Aston office all use electricity for light, heat and power. The kWh usage was provided by our energy broker. In addition to this, three shops and the main hospice site also use gas central heating and the gas usage was calculated from the accounting records using the rate from the most recent bills.

The other main carbon source is travel by cars and vans. This is split into staff mileage (including the community nursing team who visit patients at home), volunteer mileage (who transport patients to/from the hospice for services in their own cars), patient support vehicles (used to transport patients to the in-patient unit), and goods vans which are used by the retail team to transport goods and service the retail outlets. Given the large number of different vehicles used throughout, composite rates were applied where specific data was impractical.

Other travel methods such as air and rail travel were not disclosed as these are deemed to be immaterial. The UK Government GHG Conversion Factors for Company Reporting 2020 has been used to provide the required conversion rates.

Emission statistics

	2021	2020
Energy consumption used to calculate emissions (kWh)	1,850,624	2,389,566
Emissions from combustion of gas (kgCO ₂ e)	110,245	134,480
Emissions from combustion of fuel for transport purposes (kgCO ₂ e)	24,512	70,043
Emissions from business travel in rental cars or employee -owned vehicles where company is responsible for purchasing the fuel (kgCO ₂ e)	14,389	22,752
Emissions from purchased electricity (kgCO ₂ e)	248,699	325,044
Total gross emissions (kgCO ₂ e)	397,845	552,319
Intensity ratio (total kgCO ₂ e per FTE employee)	1,140	1,573

Statement of Trustees' responsibilities

The Board is responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company and Charity law requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the Charity for that period. In preparing these financial statements, the Board is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 business.

The Board has overall responsibility for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity, ensuring that the assets are properly applied in accordance with Charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statements as to disclosure of information to auditors

The Trustees have taken all the necessary steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

As far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware.

Auditors

A resolution to reappoint Mazars LLP as auditors to the Company and to authorise the Board to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board



Peter Goyder
Chairman
29 June 2021
Charlton Road
Brentry
Bristol BS10 6NL

Independent auditor's report to the members of St Peter's Hospice

Opinion

We have audited the financial statements of St Peter's Hospice (the 'parent charity') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, The Consolidated and Charity Balance Sheets, The Consolidated Cash Flow Statement and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of St Peter's Hospice (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 20, the Trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of St Peter's Hospice and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Independent auditor's report to the members of St Peter's Hospice (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Our audit procedures in relation to fraud included but were not limited to:

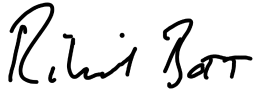
- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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



Richard Bott (Senior statutory auditor) for and on behalf of Mazars LLP,
Chartered Accountants and Statutory Auditor
90 Victoria Street, Bristol, BS1 6DP

Date: 6 July 2021

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total	Total
		£000	£000	£000	2021	2020
					£000	£000
Income and endowments from:						
Donations and legacies		4,985	159	-	5,144	4,700
Charitable activities		2,066	4,043	-	6,109	2,223
Other trading activities		3,687	1	-	3,688	9,289
Investment income		302	-	-	302	475
Total income	3	11,040	4,203	-	15,243	16,687
Expenditure on:						
Raising funds		6,267	-	79	6,346	6,975
Charitable activities		4,048	4,200	-	8,248	9,170
Total expenditure	4	10,315	4,200	79	14,594	16,145
Net income before gains / (losses)		725	3	(79)	649	542
Net gains / (losses) on investments	10	1,145	-	2,745	3,890	(959)
Net income / (expenditure)		1,870	3	2,666	4,539	(417)
Transfers between funds		23	(23)	-	-	-
Net movement in funds		1,893	(20)	2,666	4,539	(417)
Reconciliation of funds:						
Total funds brought forward		19,589	35	9,334	28,958	29,375
Total funds carried forward		21,482	15	12,000	33,497	28,958

In accordance with the provisions of the Companies Act 2006, a separate income and expenditure account dealing with the results of the parent company only has not been presented. The net increase in reserves for the year for the parent company was £4,378,000 (2020: decrease of £631,000).

The notes on pages 27 to 45 form part of the financial statements.

Registered company no. 1191227
Consolidated and Charity balance sheets
As at 31 March 2021

		Group	Group	Charity	Charity
	<i>Note</i>	2021	2020	2021	2020
		£000	£000	£000	£000
Fixed assets					
Tangible assets	9	8,032	8,564	8,072	8,605
Investment assets	10	16,564	15,626	16,564	15,626
		24,596	24,190	24,636	24,231
Current assets					
Stocks		62	73	-	-
Debtors	11	1,986	3,462	1,979	3,462
Investments		3,352	533	3,352	533
Cash at bank and in hand		4,310	1,665	4,210	1,610
		9,710	5,733	9,541	5,605
Liabilities:					
Creditors: amounts falling due within one year	12	(504)	(757)	(504)	(849)
Net current assets		9,206	4,976	9,037	4,756
Total assets less current liabilities		33,802	29,166	33,673	28,987
Provisions for liabilities	13	(305)	(208)	(305)	(208)
Total net assets		33,497	28,958	33,368	28,779
The funds of the charity:					
Endowment funds	14	12,000	9,334	12,000	9,334
Restricted income funds	15	15	35	15	35
Unrestricted funds:					
Designated funds	17	14,500	8,667	14,540	8,708
Revaluation reserve	10	387	387	387	387
Income and expenditure account	16	6,595	10,535	6,426	10,315
Total unrestricted funds		21,482	19,589	21,353	19,410
Total charity funds		33,497	28,958	33,368	28,779

The notes on pages 27 to 45 form part of the financial statements.

These financial statements were approved by the Trustees on 29 June 2021 and signed on its behalf by:



Peter Goyder, Chairman



Roger Isaacs, Chair of Resources Committee and Treasurer

Consolidated statement of cash flows

For the year ended 31 March 2021

	Note	2021	2020
		£000	£000
Cash flows from operating activities:			
Net cash (used in) / provided by operating activities	22	2,348	(1,703)
Cash flows from investing activities:			
Dividends, interest and rents from investments	3	302	475
Purchase of property, plant and equipment	9	(138)	(236)
Proceeds from sales of investments	10	5,195	14,803
Purchase of investments	10	(2,243)	(13,640)
Net cash provided by / (used in) investing activities		3,116	1,402
Change in cash and cash equivalents in the year	23	5,464	(301)
Cash and cash equivalents at the beginning of the year		2,198	2,499
Cash and cash equivalents at the end of the year		7,662	2,198

Refer to note 23 for a breakdown of the cash and cash equivalents balance.

The notes on pages 27 to 45 form part of the financial statements.

1 Status of the company

The company is a private company limited by guarantee and is incorporated in England & Wales, registered company number 1191227. The members of the company are the Trustees who are also ordinary members named on page 46. The liability of members in the event of a winding up is limited by guarantee to an amount not exceeding £1 per member.

1.1 Statement of compliance

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

2.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006 and Charities Act 2011.

St Peter's Hospice met the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000. Comparative information relates to the year ended 31 March 2020.

2.2 Going concern

The Trustees consider that there are no material uncertainties about St Peter's Hospice's ability to continue as a going concern. The single biggest issue facing the Charity is COVID-19 together with its attendant risks. With regard to future years, the most significant areas of uncertainty is the level of NHS funding and donations. These risks are covered in more detail in the section 'Principal Risks and Uncertainties' of the Trustees' annual report.

2.3 Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiary St Peter's Hospice Enterprises Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

2.4 Fund accounting

Unrestricted funds - these are funds which can be used in accordance with the Charity's charitable objects at the discretion of the Trustees.

Designated funds - these funds are set aside by the Trustees out of unrestricted funds for specific purposes. At the year end they comprise a fixed asset fund, a capital and projects fund and a risk management fund. Please see note 17 for further details of these funds.

Restricted funds – these are funds received for undertaking an activity specified by the donor.

Endowment funds – these are funds where the donor has specified the funds should be treated as a permanent capital fund, where the income arising from the capital fund is available to meet the running costs of the Charity.

2.5 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the Statement of Financial Activities.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the Charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income and accrued income in debtors.

Notes (continued)

2.5 Income (continued)

Income from NHS contracts, government and other grants, whether 'capital' grants or 'revenue' grants, are recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which:

- the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made; or
- when a distribution is received from the estate or for pecuniary legacies an assessment has been made that receipt is probable.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution.

If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the Charity. Where legacies have been notified to the Charity or the Charity is aware of the 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 (see note 3).

Grant income received relating to the following year is deferred until the criteria for income recognition are met.

Interest on deposit funds held is included when receivable and the amount can be measured reliably by the Charity which is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been received.

Lottery income is accounted for in respect of those draws that have taken place in the year.

2.6 Donated goods and services

It has been judged that the benefit to the user of the accounts from determining and reporting the value of the donated goods prior to sale is less than the costs involved in obtaining that valuation. As a result, trading income is recognised on point of sale for both donated and purchased goods.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably.

Donated professional services and facilities are included in income at the estimated value of the gift to the Charity when received, based on the amount that the Charity would have been prepared to pay for these services or facilities had it been required to purchase them, with a corresponding entry in the appropriate expenditure heading for the same amount. Donated fixed assets are similarly taken to income at the value to the Charity, with the other entry being capitalised in fixed assets.

2.7 Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

- Support costs are made up of administration & management, finance costs, IT costs and governance costs. Administration & management include the costs of employing the Chief Executive, Director of Finance & IT and human resources department. It also includes the cost of insurance and legal and professional expenses.
- Fundraising costs are split between trading and the cost of generating donations and gifts. Costs, where possible are directly allocated to each activity. General fundraising support costs are allocated to activities in proportion to the headcount supporting them. Where activities generate donations and gifts as well as trading income, costs are apportioned on the basis of income. Fundraising costs incurred in seeking voluntary contributions do not include the costs of disseminating information in support of the charitable activities.

Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the Charity.

Basis for support costs allocation is as follows:

- Administration and management has been allocated based on a combination of the number of staff in an area and actual time spent by support staff.
- IT and Finance departmental costs have been allocated based on the combination of activity levels and staff numbers.
- Governance departmental costs have been allocated based on staff numbers.

Notes (continued)

2.8 Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements. Further detail of their contribution is provided in note 7 to these financial statements and in the Trustees report.

2.9 Fixed assets and depreciation

Tangible fixed assets, in excess of £1,000, are stated at cost (of purchase or construction) less accumulated depreciation. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	2% per annum
Building improvements	10% per annum
Fixtures, fittings, equipment and vehicles	10%-33% per annum
Shop refurbishments	17% per annum

Depreciation is charged monthly following the month of acquisition.

The new Inpatient Unit is accounted for using component accounting. The building has been divided into its major components which are considered to have substantially different useful economic lives as follows:

Exterior walls	50 years
Roof	50 years
Stairs	50 years
Electrical systems	40 years
Ceiling	30 years
Fences	30 years
Mechanical systems	30 years
Paths	25 years
Internal walls	20 years
Windows and doors	20 years
Lift	15 years
Landscaping	15 years
External fixtures	10 years
Drainage	10 years
Air conditioning	10 years

2.10 Investment properties

The valuation of investment properties is considered annually for material movement and valued professionally every three years at open market values. All gains and losses arising on valuation are taken directly to revaluation reserve except that any permanent diminution in the value of an investment property is recognised in the Statement of Financial Activities for the year.

No depreciation is provided in respect of freehold investment properties.

Non-depreciation of investment properties may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted in respect of depreciation of investment properties is therefore necessary for the accounts to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount, which might otherwise have been shown, cannot be separately identified or quantified.

2.11 Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, except for the shares in the trading subsidiary which are carried at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Charity does not acquire put options, derivatives or other complex financial instruments.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2.12 Stocks

Stock of retail goods is included at the lower of cost or net realisable value. Donated items of stock for resale or distribution are not included in the financial statements until they are sold or distributed because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stock take would incur undue cost for the Charity which far outweighs the benefits.

Notes (continued)

2.13 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value. Accounts with notice periods greater than 90 days are shown as current asset investments.

2.15 Current asset investments

Current asset investments comprise cash deposits held at fund managers. There were no bank accounts with notice periods greater than 90 days as at the current or previous financial year end.

2.16 Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

2.17 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.18 Pension costs

Employees can join a defined contribution pension scheme which is administered by Aviva. The group also contributes to the NHS Pension Scheme on behalf of a minority of employees who are eligible to join the scheme. This is an unfunded defined benefit scheme. The amount charged against income represents the contributions payable to the schemes in respect of the accounting period. The group operated a voluntary defined benefit pension scheme, which is now closed. The final contributions made to this scheme were in January 2010. The funds are administered by pension Trustees and are independent of the group's finances.

2.19 Operating leases

Operating leases are recognised over the period of which the lease falls due. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

2.20 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Charity was registered as a Charity in April 1975. Under part II of CTA 2010 the Charity is not subject to taxation on its charitable activities. The profits of the non-charitable subsidiaries are normally gift aided to the parent Charity; therefore the group generally suffers no Corporation Tax on its trading activities.

Notes (continued)

2.21 Judgements and key sources of estimation uncertainty

A key area of judgement in these financial statements is the recognition of legacy income, which requires judgements about whether the income is probable or not and whether St Peter's hold entitlement to the monies. There is also estimation uncertainty regarding the reliability of the estimate of the amount to be received. Many of the legacies in the pipeline will include properties which are inherently uncertain in value as well as sometimes there being uncertainty regarding the amount of the estate to which St Peter's is entitled. The value of accrued income relating to legacies has been estimated at £359,000 at 31st March 2021 and is shown separately in note 11.

The Trustees have made key assumptions in determining the estimation of the fair value of investment property and land in respect of the state of the property market in the location where the property is situated and the uncertainty surrounding the future use of the land. The valuation method is further described in note 2.10, together with the valuation of the properties at the reporting date being disclosed in note 10.

There are also judgements made in determining whether provisions are required and at what value. A dilapidations provision is held relating to the estimated cost of repairs to shops at the end of their leases, based on a charge of £6 per square foot of shop area. The £ per square foot value was increased from £4 this year to reflect the increased risk of store closures in the current economic climate. A dilapidations provision of £305,000 is held at the year end and the uncertainty surrounding this is disclosed in note 13.

3 Income and endowments

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
Donations					
Individuals	730	1	-	731	449
In memoriam	569	1	-	570	431
Charitable foundations	407	146	-	553	173
Corporate sector	170	11	-	181	163
General community	15	-	-	15	45
COVID-19 retail grant	447	-	-	447	715
Coronavirus Job Retention Scheme	1,259	-	-	1,259	-
	3,597	159	-	3,756	1,976
Legacies	1,388	-	-	1,388	2,724
	4,985	159	-	5,144	4,700
Income from charitable activities					
NHS England service funding	1,971	-	-	1,971	2,113
COVID-19 NHS England service funding	-	4,043	-	4,043	-
Education course fees	95	-	-	95	110
	2,066	4,043	-	6,109	2,223
Income from other trading activities					
Shops sales – donated goods	2,485	-	-	2,485	7,495
– bought in goods	180	-	-	180	281
– commission and other	93	-	-	93	251
Fundraising events – community	494	1	-	495	738
– corporate	28	-	-	28	83
Lottery	401	-	-	401	431
Other	6	-	-	6	10
	3,687	1	-	3,688	9,289
Investment income					
Dividends and interest	277	-	-	277	450
Rents	25	-	-	25	25
	302	-	-	302	475
TOTAL INCOME AND ENDOWMENTS	11,040	4,203	-	15,243	16,687

In line with our accounting policy, legacies includes £359,000 (2020: £1,963,000) of income notified at year end but not yet received as they have met the criteria for recognising income in accordance with SORP 2019.

Total legacies notified but not recognised in the financial statement as at 31 March 2021 amounted to £440,000 (2020: £452,000).

Total income from gift aid amounted to £370,000 (2020: £673,000).

The NHS service funding received during the year represents 65% (2020: 23%) of the cost of patient care.

4 Analysis of expenditure

	Activities undertaken directly £000	Support costs (note 5) £000	2021 £000	2020 £000
Raising funds:				
Donations	334	65	399	387
Legacies	23	2	25	32
Shops	4,434	922	5,356	6,274
Fundraising events	244	31	275	377
Lottery	142	11	153	157
Investment management costs	-	138	138	105
Dilapidations adjustment	-	-	-	(357)
Total expenditure on raising funds	5,177	1,169	6,346	6,975
Charitable expenditure:				
Brentry based care	3,265	1,173	4,438	5,244
Community based care	3,071	451	3,522	3,541
Total patient care	6,336	1,624	7,960	8,785
Education	218	70	288	385
Total charitable expenditure	6,554	1,694	8,248	9,170
Total expenditure	11,731	2,863	14,594	16,145

5 Support costs allocation

	Site Costs £000	Admin & Management £000	Finance & IT depts £000	Governance £000	2021 £000	2020 £000
Raising funds:						
Donations	37	11	16	1	65	82
Legacies	-	1	1	-	2	4
Shops	136	343	426	17	922	709
Fundraising events	13	7	10	1	31	59
Lottery	5	2	3	1	11	25
Investment management costs	-	138	-	-	138	105
Charitable activities:						
Brentry based care	825	147	188	13	1,173	1,441
Community based care	112	144	183	12	451	404
Education	42	12	15	1	70	89
2021 Total support costs	1,170	805	842	46	2,863	2,918
2020 Total support costs	1,301	757	812	48		2,918

6 Subsidiary

During the year the Charity had one wholly owned subsidiary, incorporated in England and Wales.

St Peter's Hospice Enterprises Limited (registered in England and Wales company number: 2595158) sells Christmas cards, calendars, new goods and items incorporating the Hospice logo on behalf of the Hospice. It also acts as agent for the Shops Gift Aid scheme, earning commission, and runs a coffee shop in Bristol and a house clearance service. The company transfers its taxable profits to St Peter's Hospice under gift aid.

A summary of the results of St Peter's Hospice Enterprises Limited included in the consolidated statement of financial activities is shown below. The expenditure includes £9,000 (2020: £12,000) intercompany management charge paid to the Charity which is eliminated on consolidation. Full accounts are filed with the Registrar of Companies.

	2021	2020
	£000	£000
<i>Income and expenditure account</i>		
Income	269	487
Expenditure	(116)	(284)
Net income	153	203
Retained earnings at beginning of reporting period	225	182
Net income for the year	153	203
Distribution to parent charity	(203)	(160)
Retained earnings at end of reporting period	175	225

7 Staff and volunteers

The average number of volunteers involved regularly on Hospice business is in excess of 1,500.

The headcount of employed staff members are as follows:

	2021	2020
	No.	No.
Patient care	203	209
Income generation	218	241
Support	23	23
Total staff	444	473

The aggregate employment costs of these persons are as follows:

	2021	2020
	£000	£000
Wages and salaries	9,149	10,128
Social security costs	757	851
Pension contributions (see note 21)	905	961
Termination payments	57	7
	10,868	11,947

Termination payments totalling £57,000 were made to five employees during the year under signed compromise agreements (2020: payments totalling £7,000 were made to two employees under signed compromise agreements).

7 Staff and volunteers (continued)

Employees whose emoluments, excluding pension contributions, were equal to or greater than £60,000 per annum were as follows:

	2021	2020
	No.	No.
£60,001 - £70,000	3	2
£70,001 - £80,000	2	3
£80,001 - £90,000	1	-
£90,001 - £100,000	2	1
	8	6

Five of the employees in the table above were accruing retirement benefits under defined benefit schemes (2020: four employees), and two were accruing retirement benefits under defined contribution schemes (2020: two).

The total employee remuneration, including employer's national insurance and pension contributions, of the key management personnel of the Hospice was £505,663 (2020: £504,877)

The Charity maintains indemnity insurance for the Trustees and officers of the company and its subsidiaries; the cost of providing this insurance was £3,080 (2020: £3,309).

Note 20 shows details of related party transactions.

No Trustee received remuneration in the year (2020: £nil). Trustees are entitled to the reimbursement of expenses necessarily incurred on Hospice business. During the year ended 31 March 2021 a total of £nil was reimbursed to trustees (2020: £136 was spent by the Hospice in respect of one Trustee attending a conference).

8 Net income

Net income is stated after charging / (crediting):

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Auditor's remuneration:				
Audit	13	12	12	11
Depreciation	574	628	575	629
Rent of land and buildings – operating leases	762	833	762	833
Rents receivable under operating leases	53	66	53	66
Loss on disposal of tangible fixed assets	(96)	(7)	(96)	(7)

9 Tangible fixed assets

GROUP	Freehold property (including building improvements) (restated) £000	Assets under the course of construction £000	Fixtures and fittings (including motor vehicles) (restated) £000	Shop refurbishment (restated) £000	Total £000
Cost					
As at 1 April 2020 (restated)	8,910	63	1,707	4,459	15,139
Additions	-	19	24	95	138
Disposals	(1)	(6)	(110)	(179)	(296)
Transfer	(21)	(76)	97	-	-
As at 31 March 2021	8,888	-	1,718	4,375	14,981
Depreciation					
As at 1 April 2020 (restated)	1,226	-	1,396	3,953	6,575
Charge for year	275	-	113	186	574
Disposals	-	-	(52)	(148)	(200)
As at 31 March 2021	1,501	-	1,457	3,991	6,949
Net book value					
As at 31 March 2021	7,387	-	261	384	8,032
As at 31 March 2020 (restated)	7,684	63	311	506	8,564

9 Tangible fixed assets (continued)

CHARITY	Freehold property (including building improvements) (restated) £000	Assets under the course of construction £000	Fixtures and fittings (including motor vehicles) (restated) £000	Shop refurbishment (restated) £000	Total £000
Cost					
As at 1 April 2020 (restated)	9,001	63	1,707	4,459	15,230
Additions	-	19	24	95	138
Disposals	(1)	(6)	(110)	(179)	(296)
Transfer	(21)	(76)	97	-	-
As at 31 March 2021	8,979	-	1,718	4,375	15,072
Depreciation					
As at 1 April 2020 (restated)	1,276	-	1,396	3,953	6,625
Charge for year	276	-	113	186	575
Disposals	-	-	(52)	(148)	(200)
As at 31 March 2021	1,552	-	1,457	3,991	7,000
Net book value					
As at 31 March 2021	7,427	-	261	384	8,072
As at 31 March 2020 (restated)	7,725	63	311	506	8,605

Included in the cost of freehold property of the group and company is £70,000 of land which is not being depreciated.

The company figures include £39,000 (2020: £40,500) in respect of interest capitalised in connection with the building of the Brentry site in 1998 which is now being depreciated over the life of the building. As the charge is an intra-group transaction it is eliminated on consolidation.

The net book value of the seven freehold shops open at 31 March 2021 was £551,000 (2020: £569,000).

To comply with Charities SORP FRS 102, three shop flats owned and leased out by the Hospice are included in investment properties (2020: three).

Included within fixtures and fittings is intangible assets with a net book value of £68,753 (2020: £nil) comprised of website costs.

The brought forward figures have been restated to correct the split of assets between categories and bring the financial statement back in line with our fixed asset register.

The £76k transfer from assets under the course of construction to fixtures and fittings reflects the completion of the website; bringing the asset into use and commencing depreciation.

The £21k transfer from land and buildings to fixtures and fittings reflects a correction to the classification of an asset.

10 Fixed asset investments

	2021	2020
	£000	£000
Equities at market value	14,405	13,237
Fixed interest investments including Government stocks, at market value	1,599	1,829
Hospice Quality Partnership loan notes	10	10
Investment properties (see below)	550	550
	16,564	15,626

Equities and fixed interest investments

	2021	2020
	£000	£000
Market value at beginning of year	15,066	17,188
Additions	2,243	13,640
Disposals	(5,195)	(14,803)
Investment gains / (losses)	3,890	(959)
Market value at end of year	16,004	15,066
Historical cost at end of year	12,886	15,224

Fixed asset investments include quoted equities and Government stocks listed on the London Stock Exchange.

There were no individual shareholdings of more than 5% of the total portfolio value as at 31 March 2021 (2020: £793,000 shares held in the Charities Property Fund).

	2021	2020
	Total	Total
	£000	£000
Properties		
Cost at beginning and end of year	163	163
Revaluation at beginning of year	387	387
Revalue to fair value	-	-
Revaluation at end of year	387	387
Cost / valuation at end of year	550	550

All investment properties form part of the unrestricted funds balance. Included in the above is some land which was last valued in 2013/14. The directors have decided not to revalue this land at 31 March 2021 due to the high level of uncertainty surrounding its value. Any revaluation of the property would not have a material misstatement on the financial statements.

Also included in fixed asset investments are the following investments in subsidiaries:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Investment in subsidiaries	-	-	2	2

11 Debtors

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	54	23	49	23
Gift aid receivable	12	30	12	30
Other debtors	103	141	101	141
Prepayments and accrued income	1,458	1,305	1,458	1,305
Accrued legacy income	359	1,963	359	1,963
	1,986	3,462	1,979	3,462

Trade debtors totalling £120 for the charity and £696 for the group (2020: £45,296 for the charity and £45,516 for the group) were written off in the year.

12 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade creditors	88	212	88	163
Pension contributions (note 21)	48	58	48	58
Amounts owed to group undertakings	-	-	11	159
Accruals and other deferred income	368	487	357	469
	504	757	504	849

The movement on deferred income in the year was as follows:

Group and Charity

	2021	2020
	£000	£000
Balance as at 1 April	30	29
Utilised in the year	(30)	(29)
Deferred in the current year	62	30
Balance as at 31 March	62	30

13 Provision for liabilities

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Dilapidations provision (see below)	305	208	305	208
	305	208	305	208

The movement on the dilapidations provision in the year was as follows:

	2021	2020
	£000	£000
Balance as at 1 April	208	561
Additions in the year	102	4
Utilised in the year	(5)	-
Change in estimation methodology	-	(357)
Balance as at 31 March	305	208

The dilapidations provision is a provision for the cost of repairs to shops at the end of their leases. Given the timing of lease exit is uncertain, the value and timing of the resulting payments is also uncertain.

14 Endowment funds

2021	Balance			Balance
	1 April	Investment	Investment	31 March
	2020	fees	gains	2021
	£000	£000	£000	£000
John James	2,815	(25)	881	3,671
Needham Cooper	6,519	(54)	1,864	8,329
	9,334	(79)	2,745	12,000

2020	Balance			Balance
	1 April	Investment	Investment	31 March
	2019	fees	(losses) / gains	2020
	£000	£000	£000	£000
John James	2,945	(23)	(107)	2,815
Needham Cooper	6,863	(45)	(299)	6,519
	9,808	(68)	(406)	9,334

The John James Endowment Fund was set up with the intention of generating an investment income for the Hospice. The fund consists of a donation from the John James Bristol Foundation of £500,000 together with an equivalent amount raised by the Hospice by the end of 1984. A further £500,000 was received from the Foundation in 1997 and the Hospice has in previous years received gifts from others of £350,000 towards matching this last amount. In 2008/09 a further £390,000 was donated to the fund. The total capital raised is £2,240,000 and gains to date, net of fees, are £1,431,000.

The Needham Cooper fund represents investments made as a result of the sale of land previously owned near Bristol (formerly known as the Peg Hill fund). The £1,200,000 Charity Property Fund was consolidated into the Needham Cooper fund in November 2019. The total capital invested was £6,871,000 and gains to date, net of fees, are £1,458,000.

15 Restricted income funds

2021	Balance			Transfers to designated funds	Balance
	1 April 2020	Income	Expenditure		31 March 2021
	£000	£000	£000	£000	£000
Capital Appeal fund	-	16	-	(16)	-
COVID-19 NHS England service funding	-	4,043	(4,043)	-	-
Various funds	35	144	(157)	(7)	15
	35	4,203	(4,200)	(23)	15

2020	Balance			Transfers to designated funds	Balance
	1 April 2019	Income	Expenditure		31 March 2020
	£000	£000	£000	£000	£000
Capital Appeal fund	-	53	(38)	(15)	-
Various other funds	26	88	(46)	(33)	35
	26	141	(84)	(48)	35

The Capital Appeal fund is funds donated to support the rebuilding of the Inpatient Unit.

NHS England awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

Various other funds relate to small amounts received where the donor has restricted the use of the funds.

16 Income and expenditure account

2021	Group	Charity
	£000	£000
At 1 April 2020	10,535	10,315
Net expenditure for the year – unrestricted	725	775
Investment losses – unrestricted	1,145	1,145
Transfer to designated funds (note 17)	(5,810)	(5,809)
At 31 March 2021	6,595	6,426

2020	Group	Charity
	£000	£000
At 1 April 2019	10,041	9,863
Net income / (expenditure) for the year – unrestricted	553	510
Investment gains – unrestricted	(553)	(553)
Transfer to designated funds (note 17)	494	495
At 31 March 2020	10,535	10,315

17 Designated funds**Group****2021**

	Balance	Transfers	Transfers from / (to) income and expenditure	Balance
	1 April	from		31 March
	2020	restricted funds	account	2021
	£000	£000	£000	£000
Fixed assets fund	8,564	23	(555)	8,032
Capital and projects fund	103	-	572	675
Risk management fund	-	-	5,793	5,793
	8,667	23	5,810	14,500

2020

	Balance	Transfers	Transfers from/(to) income and expenditure	Balance
	1 April	from		31 March
	2019	restricted funds	account	2020
	£000	£000	£000	£000
Fixed assets fund	8,963	48	(447)	8,564
Future development fund	150	-	(47)	103
	9,113	48	(494)	8,667

Fixed assets fund represents the net book value of fixed assets used in the Hospice. The transfers in the year represent the movement in the net book value of the fixed assets.

Capital and project fund (formerly future development fund) represents the amounts set aside to support development of our assets and activities. The transfer in the year is to establish this fund at a value of 80% of the projected two year cost of capital and project needs.

Risk management fund allows the charity to operate normally if risks materialise and provides time and funds for the charity to adjust its operations. The transfer in the year is to establish the fund at a value based on an assessment of the risks in legacies, investments and retail.

Charity**2021**

	Balance	Transfers	Transfers to income and expenditure	Balance
	1 April	from		31 March
	2020	Restricted funds	account	2021
	£000	£000	£000	£000
Fixed assets fund	8,605	23	(556)	8,072
Capital and projects fund	103	-	572	675
Risk management fund	-	-	5,793	5,793
	8,708	23	5,809	14,540

2020

	Balance	Transfers	Transfers from/(to) income and expenditure	Balance
	1 April	from		31 March
	2019	Restricted funds	account	2020
	£000	£000	£000	£000
Fixed assets fund	9,005	48	(448)	8,605
Future development fund	150	-	(47)	103
	9,155	48	(495)	8,708

18 Analysis of group net assets between funds**Group and Charity**

2021	Unrestricted	Restricted	Endowment	Total
	funds	funds	Funds	Funds
	£000	£000	£000	£000
Tangible fixed assets	8,032	-	-	8,032
Investment assets	4,559	-	12,005	16,564
Current assets	9,680	15	15	9,710
Creditors due in less than one year	(484)	-	(20)	(504)
Provisions for liabilities	(305)	-	-	(305)
Total net assets	21,482	15	12,000	33,497

2020	Unrestricted	Restricted	Endowment	Total
	funds	funds	Funds	Funds
	£000	£000	£000	£000
Tangible fixed assets	8,564	-	-	8,564
Investment assets	6,287	-	9,339	15,626
Current assets	5,682	35	16	5,733
Creditors due in less than one year	(736)	-	(21)	(757)
Provisions for liabilities	(208)	-	-	(208)
Total net assets	19,589	35	9,334	28,958

19 Commitments

Full lease commitments under non-cancellable operating leases are as follows:

Group and Charity

	2021	2021	2021	2020	2020	2020
	Land and	Other	Total	Land and	Other	Total
	buildings			buildings		
	£000	£000	£000	£000	£000	£000
Operating leases						
which expire:						
Within one year	654	48	702	650	26	676
In the second to fifth years inclusive	816	99	915	915	22	937
In over five years	-	-	-	-	-	-
	1,470	147	1,617	1,565	48	1,613

Capital commitments

At the year end the group and Charity had capital commitments of £22,475 in respect of a migration to Office 365 and electrical upgrade works (2019: £17,292 in respect of developing a new website).

20 Related party transactions

In accordance with FRS102 section 33.1A, the company has taken advantage of an exemption from disclosing transactions with its subsidiary on the grounds that it is wholly owned.

Ms A Moon is a member of the Board of Trustees and on the governing body of the Bristol Clinical Commissioning Group (BCCG). Dr P Goyder is a member of the Board of Trustees and is Clinical Lead for Urgent Care at the BCCG. The NHS Primary Care Trust's annual grant to the Hospice is paid by the BCCG. The total amount paid under this grant for the year was £1,923,888 (2020: £1,913,078) and £37,742 was outstanding as at 31 March 2021 (2020: £nil). St Peter's Hospice also invoiced the BCCG for further services amounting to £22,981 delivered in the year (2020: £104,489). At the year end £nil was outstanding (2020: £76,633).

Ms A Moon is also a Non-Executive Director for Gloucestershire Hospitals NHS Foundation Trust. During the year the hospice was charged £117,413 (2020: £110,446) for the provision of doctors employed by the Trust. As at 31 March 2021 there was an outstanding balance of £9,915 (2020: £9,949).

Ms C Buchanan is a member of the Board of Trustees and Chief People Officer at the University of Bristol. During the year the hospice was charged £20,018 (2020: £10,110) for the provision of a doctor employed by the University. As at 31 March 2021 there was an outstanding balance of £1,917 (2020: £nil).

Ms H Staines is a member of the Board of Trustees and a Partner at DAC Beachcroft. The hospice received £nil (2020: £500) income from DAC Beachcroft who purchased a ticket for the annual corporate quiz and £nil (2020: £nil) was outstanding as at 31 March 2021.

21 Pensions

The Charity contributed to two pension schemes in the financial year; Aviva pension scheme and NHS pension scheme. The assets of these schemes are held separately from those of the Hospice in independently administered funds. The amounts charged against income represent the contributions payable to the schemes in respect of the accounting period.

Aviva

This is a Group Personal Pension Scheme, which is a defined contribution scheme. The employer contributions charged against income for the year were £497,000 (2020: £536,000) of which employee contributions under the salary sacrifice scheme were £151,000 (2019: £170,000). Outstanding pension contributions for March, paid in April, were £48,000 (2020: £57,000).

NHS scheme

Staff transferring from the NHS may continue to contribute to the NHS Pension scheme. The NHS Scheme is an unfunded defined benefit scheme but the Charity is unable to identify its share of the underlying assets and liabilities. Each member of the scheme pays a common contribution rate. Employer contributions charged against income for the year were £408,000 (2020: £425,000). Deemed employer pension contributions for salaries recharged to the Hospice from NHS Trusts were £46,000 (2020: £28,000). Outstanding pension contributions for March, paid in April were £nil (2020: £nil).

22 Reconciliation of net income to net cash in flow from operating activities

	2021	2020
	£000	£000
Net (expenditure) / income	4,539	(417)
Losses / (gains) on investments	(3,890)	959
Investment income	(302)	(475)
Depreciation charges	574	628
Loss from disposal of tangible fixed assets	96	7
Increase in stocks	11	(16)
(Increase) / decrease in debtors	1,476	(1,928)
Decrease in creditors	(156)	(461)
Net cash (outflow) / inflow from operating activities	2,348	(1,703)

23 Analysis of changes in net funds

	At 1 April 2020	Cash flow	At 31 March 2021
	£000	£000	£000
Cash at bank and in hand	1,665	2,645	4,310
Current asset investments	533	2,819	3,352
Total net funds	2,198	5,464	7,662

24 Consolidated statement of financial activities for the year ended 31 March 2020

	Unrestricted funds	Restricted funds	Endowment funds	Total 2020
	£000	£000	£000	£000
Income and endowments from:				
Donations and legacies	4,559	141	-	4,700
Charitable activities	2,223	-	-	2,223
Other trading activities	9,289	-	-	9,289
Investment income	475	-	-	475
Total income	16,546	141	-	16,687
Expenditure on:				
Raising funds	6,907	-	68	6,975
Charitable activities	9,086	84	-	9,170
Total expenditure	15,993	84	68	16,145
Net income before (losses) / gains	553	57	(68)	542
Net (losses) / gains on investments	(553)	-	(406)	(959)
Net (expenditure) / income	-	57	(474)	(417)
Transfers between funds	48	(48)	-	-
Net movement in funds	48	9	(474)	(417)
Reconciliation of funds:				
Total funds brought forward	19,541	26	9,808	29,375
Total funds carried forward	19,589	35	9,334	28,958

Legal and administrative information

Vice Presidents

Mrs P Davis
Mr A R G James
Mr K T Pearce

Members of the Board of Trustees

Dr P Goyder Chairman
Ms H Staines Vice Chairman
Mr R Isaacs Treasurer
Ms A Moon
Mr M Mohan
Mr P Montague
Mr M Campbell
Ms C Buchanan
Mr D Spicer

Company Secretary

Ms F McCloskey

Principal Officers

Chief Executive

Mr F Noble

Medical Director

Dr A Mullick

Director of Patient Care

Ms C Benson

Director of Finance and IT

Ms F McCloskey

Director of People and Support

Mr R Rowe

Commercial Director

Ms P J Clarke

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Auditor

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Investment managers

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Veritas Investment Management
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Fundraising office

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Wild Country Lane,
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Telephone: 01275 391 400

Registered office

St Peter's Hospice, Charlton Road,
Brentry,
Bristol, BS10 6NL

Registered Charity number

269177

Registered company number

1191227

Web site address

www.stpetersHospice.org