

REGISTERED COMPANY NUMBER: 1627610 (England and Wales)

REGISTERED CHARITY NUMBER: 284701

**Report of the Trustees and
Financial Statements For The Year Ended
31 March 2022
for
Saint Catherine's Hospice Trust**

Ingham & Co.
Chartered Accountants
Statutory Auditor
George Stanley House
2 West Parade Road
Scarborough
North Yorkshire
YO12 5ED



Saint Catherine's Hospice Trust
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For The Year Ended 31 March 2022

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**Saint Catherine's Hospice Trust
Report of the Trustees
for the year ended 31 March 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity and its subsidiaries for the year ended 31 March 2022, which are also prepared to meet the requirements for a group director's report and accounts for Companies Act purposes. The trustees have adopted the provisions of 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 (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Purpose and activities

The primary object of the Trust is to promote the relief of sickness, particularly for patients in need of specialist palliative and end of life care and those with a terminal illness, and the support of their families and carers. The Trust meets this objective through its promotion and provision, where appropriate, of holistic care for patients with a terminal illness who are in need of specialist palliative and end of life care.

The Hospice provides a consultant led specialist palliative and end of life care service to all those with a terminal illness regardless of diagnosis.

The Hospice serves a 1600 square mile area with both in-patient and day Hospice facilities in Scarborough and a range of community services.

Scarborough based:

- Purpose-built Hospice opened in 1985, moving to its current site in 2004 providing specialist care beds in single en-suite in-patient rooms.
- Our Wellbeing Centre allows patients to access the following services:
 - Assessment, rehabilitation and enablement gym run by physiotherapists.
 - Lymphoedema clinic offering assessment, bandaging, teaching and massage three times a week.
 - Specialist Palliative Care Consultant outpatient clinics.
 - Specialist Neurology and Multi-Disciplinary Team clinics.
 - Complementary Therapy consultations and clinics.
 - Specialist Palliative Care Social Work services.
 - Occupational Therapy Service.
 - Carers Support and Education Courses.
 - Breathless management education programme.
 - Tai Chi for patients and carers.
 - Bereavement Support Service for both children and adults serving those with a connection to Saint Catherine's.
 - Pastoral Care.
 - Specialist Palliative Care Counselling.
- Out of hours PalCall telephone support service for patients, carers and other healthcare professionals.
- Education centre providing a range of specialist courses for healthcare professionals.
- Student placement and mentoring programme.
- Nurse led beds providing end of life care for patients in Scarborough hospital who had been identified as in the last seven days of life.

Saint Catherine's Hospice Trust
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OBJECTIVES AND ACTIVITIES

Purpose and activities

Community based:

- We continued to provide Wellbeing Centre provision at our main site for patients across our whole geographical area.
- Domiciliary based Community Specialist Palliative Care provided by our Clinical Nurse Specialists.
- Community consultant access through domiciliary visits or clinics.
- Consultant clinic to Bridlington patients.
- Consultant clinics at Scarborough Hospital.
- Domiciliary Occupational Therapy, physiotherapy and social work visits.
- Domiciliary Bereavement Support visits.
- Consultant support to other healthcare professionals.
- Hospice at Home Service in partnership with Marie Curie for Scarborough and Filey as part of the Integrated Palliative Care Services. This service ceased at 1st April 2022 and is being replaced with the new Fast Track Home Care service which started 2nd May 2022.
- Fast Track Home Care Service providing packages of care in a patients home.

The main objectives for the year were to ensure our services continued to operate during the ongoing Covid-19 pandemic to support our patients, their families and carers, and to continue the development of our work with the clinical commissioning groups supporting the development of integrated healthcare and new ways of working, particularly in the community.

The Integrated Palliative Care Services have been reviewed throughout 2021-22 and during this time the Care Homes Support Team has ceased operating. As mentioned the Hospice at Home service continued through 2021-22 and ceased operating on 31st March 2022. At this point our partnership with Marie Curie ended and we would express our gratitude to Marie Curie for their partnership over the last 7 years. The North Yorkshire Commissioning Group agreed to continue to fund these services until 31st March 2022. The services remained an important part of local provision in 2021-2022. The Commissioners reviewed their community service provision across North Yorkshire in 2021-22 and with the cessation of the Hospice at Home service, Saint Catherine's have been contracted to deliver a new Fast Track Home Care service from 2nd May 2022.

Public Benefit

The Board of Trustees are satisfied that they have complied with the duty in section 17(5) of the Charities Act 2011 to have regard to the Charity Commission guidance on public benefit in the provision of its activities. A review of the significant activities undertaken by the charity during the year to further its charitable purposes for the public benefit is detailed below.

Volunteers

The Hospice relies heavily on the support of volunteers and currently has around 400 volunteers across all our services, in our shops, helping out with fundraising and in our business support services. The Board are incredibly grateful to all those who volunteer time for their commitment to the Hospice and would like to express their gratitude and thanks to all our volunteers. Volunteers remain a vital resource for Saint Catherine's helping to support our fundraising and shops throughout 2021-2022.

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STRATEGIC REPORT

Achievements and performance

Charitable activities

The Hospice's Strategic Intent was updated in 2021 and the new Strategic Intent 2021-2024 provides a clear focus for the ongoing development of Saint Catherine's over the coming years. The six intentions focus on: Clinical Excellence, Empowered People, Innovation and Improvement, Systems and Processes, Financial Sustainability and Reputation. The Hospices' set of values and behaviours are how we will deliver our Strategic Intent and these are based around: People Centred, Teamwork, Integrity and Quality & Excellence. Our Strategic Intent supported and informed the Hospice's response to the Covid-19 pandemic adapting to the changing situation in an agile and flexible way, and continues to support our ongoing response to living with Covid-19. Technology continues to be, a significant part of the changes to services and support for our patients, families and carers.

The Hospice continues to review the delivery and development of all its services in light of the changes in the local health and social economies, seeking to respond to local plans and objectives. During 2021-2022 our services continued to be affected by Covid-19. However, we have been able to slowly develop new ways of delivering care and support through our Wellbeing Centre for our patients and families. Over all our services we received 2,413 referrals to provide care and support. We had 210 admissions to the In-Patient Unit with 24 being admissions from Scarborough Hospital to a Nurse Led Bed. Our Palliative Care Counselling Team made 912 contacts to support clients, and the Hospice at Home team made 5,964 visits to patients in their own homes and an additional 1,638 contacts. Our Community Palliative Care Clinical Nurse Specialists, including our neurology team, received 805 referrals which resulted in 6,863 contacts. Our Therapies Team in total had 2,261 contacts with patients, and our Social Work team support resulted in 1,375 contacts over the year. Additionally, we received 623 calls to our out of hours telephone support line in the year. We will continue to grow these offerings in 2022-23.

We continued to work with our commissioners, North Yorkshire Clinical Commissioning Group, to develop and continually improve our services during 2021-22. We agreed that the Care Homes Support service would stop during the year due to other local support and provision for care homes. Additionally, commissioners are aiming for equity of services across North Yorkshire and so our Hospice at Home service ended on 31st March 2022. In its place the commissioners asked Saint Catherine's to deliver a Fast Track Home Care service delivering packages of care to patients across our whole Scarborough, Ryedale, and Whitby area. This is being rolled out from 2nd May 2022.

Feedback on our charitable activities:

The Hospice was inspected by the Care Quality Commission in September 2021, who are the body who regulate and inspect our services. The Hospice was awarded an overall rating of 'Good'. The five key lines of enquiry the CQC inspection followed were:

- Is the service safe? - we were rated as 'Good'
- Is the service effective? - we were rated as 'Good'
- Is the service caring? - we were rated as 'Good'
- Is the service responsive? - we were rated as 'Outstanding'
- Is the service well-led? - we were rated as 'Good'

The Hospice continues to play a role in the wider healthcare agenda engaging with commissioners and local healthcare forums in North Yorkshire and East Riding of Yorkshire, Clinical Commissioning Group areas. The Executive Team continues to engage with all the local Commissioners and with the wider healthcare developments. We are working in collaboration with other hospices across Humber and North Yorkshire Health and Care Partnership. Members of the Executive Team also engage with other regional and national bodies.

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STRATEGIC REPORT

Achievements and performance

Feedback on our charitable activities - continued

The Hospice has continued to deliver high quality care and service to our patients, families and clients. The Hospice receives feedback from patients, carers and professionals and through 2021-22 we were told:

Patients and clients have said:

"I cannot speak too highly of the care and help that I have received from Lindsey at the Lymphoedema Clinic at Saint Catherine's. She has taught me how to manage my lymphoedema in the best way possible for me and I am so much improved since attending the clinic. The other staff are all lovely too and there is such a comforting atmosphere at Saint Catherine's. I am so grateful for the care that I have received there."

"I was made to feel really relaxed and welcome. Advice and support all being available in one place is very helpful. I was part of a group with similar experiences."

"I really don't know how you could improve the care at Saint Catherine's. All staff are amazing and so compassionate."

"You did everything well, there was nothing that could be better. It was nice to see you and be able to talk. Everyone is so nice."

Carers have said:

"We just wanted to send our thanks for the wonderful care you gave our grandad. He was such a chatty and sociable person and it was lovely to see the kindness you showed towards him. We cannot thank you enough for everything you did for him, in particular, allowing him to watch the sunrise. He really loved that!"

"We will never forget your thoughtfulness always. You were all and are like these beautiful little swifts, flying in and out so efficient and caring. A great big thank you with all our love."

"Everyone treated my husband with dignity and respect throughout - supporting and encouraging him as he needed/wanted. You were there with support for his family. You made the experience calm, not sad. We truly couldn't have asked for anything more."

"Thank you all so much for your wonderful compassion and care for my husband and me. It was a rough few months and it was great knowing you were there, day or night. Keep on being awesome."

Professionals have said:

"My experience at Saint Catherine's Hospice has been incredible. I think coming in as a student was extremely daunting, but both the social work team and wider team made me feel super comfortable. I have had both high and low points whilst being here, but both have hugely improved my confidence and practice. It has been such a pleasure to be a part of the social work team and seeing what we can do for patients and family, but also what they do for us. I am very sad to be leaving such wonderful staff members and patients, but I know they're in very good hands! Thank you Saint Catherine's for showing me how people can really pull together to make a difference." - a Social Work Student.

"Please could I pass on my thanks to you and your colleague this morning for really excellent work supporting this lady and her family in the last moments of her life. They were very appreciative, as was I, to know you'd given such compassionate and considerate care."

Income generation

The Trustees evaluate the effectiveness of all income generation activities with reference to planned income and the overall Income Generation and Marketing strategy through both the Finance and Income Generation Committee and the Board meetings. The Fundraising and Marketing Director and Chief Executive provide reports to the respective Committee and Board to report financial income. Monthly Management Accounts report actual results against budget and are provided to Trustees quarterly.

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Achievements and performance

Income generation - continued

The Hospice recognises the crucial importance of all its Income Generation activities. With the challenges faced as a result of the Covid-19 pandemic the Hospice has adapted its approach to income generation in a range of ways, making use of digital technology. The Hospice continued to work with local Clinical Commissioning Groups to gain contract and grant funding contributions towards the cost of all the clinical services. The Hospice continues to review the performance of all of its income generation activities and areas where efficiencies can be made in delivering our care and support services. The Hospice is always incredibly grateful to all its supporters and donors and recognises the challenges faced by many charities in the continuing economic climate.

Impact of Covid-19:

The Trustees would like to express their sincere thanks and gratitude to all members of staff who have displayed incredible dedication to continue to provide care and support to our patients, carers and families throughout the past two years of the pandemic. Their continued dedication and hard work over the last year enabled the Hospice to care for and support people in the Hospice and the community.

The Hospice has recovered and strengthened its financial position in 2021-22 due to the significant dedication and commitment of our supporters and donors, and with additional support from Government. This is enabling Saint Catherine's to reinvest into services and income generation in 2022-23 and to continue to grow services for all our patients, their families, and carers.

During 2021-22 the Hospice continued to deliver its service and re-opened the Wellbeing Centre. The Hospice continues to react in a flexible and agile way to living with Covid-19. The Hospice continues to maintain enough PPE to cope with the ongoing 'waves' of Covid-19 infections. From January 2022 the Hospice has seen an increase in staff sickness due to the relaxation of external restrictions and relaxation of guidance but this has not impacted on patient care and support.

Fundraising and compliance

The Hospice is registered with the Fundraising Regulator and continues to review the legal requirements and best practice guidance for all income generation activities, to ensure all practices and ethics meet the required standards and vulnerable persons and other members of the public are protected. The Trustees receive regular updates on any matters of concern at the Income and Finance Committee.

The Hospice delivers its own fundraising activities directly and also has volunteers and supporters who fundraise on our behalf. Our fundraising team provide guidance and support to assist staff, volunteers and supporters in their fundraising activities.

The Hospice adhered to all Government guidance and regulations in relation to Covid-19 and adapted fundraising initiatives and activities accordingly in 2021-22.

There were 5 formal complaints received during the year in respect of our fundraising activities. These were all resolved and responses provided enabling all complaints to be closed.

The Hospice does not undertake any cold-call canvassing for the Lottery and no other cold-call approach is undertaken in any income generation activity. The Hospice does not use any professional fund-raisers in respect of any income generation activity.

Saint Catherine's Hospice Lottery Limited utilises the services of an external lottery manager to manage and promote our weekly lottery draw. The lottery manager, Sterling Lotteries, is licenced and regulated by the Gambling Commission as a Non-Remote and Remote External Lottery Provider.

The Hospice continuously improved its information governance and security and continued to achieve the required standards for the Data Security and Protection toolkit ("DSP") in 2021-22, as required by the NHS and the CQC. The Hospice maintains an attitude of continuous improvement in regard to its information governance and security and to ensure it maintains the required level of the DSP.

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STRATEGIC REPORT

Achievements and performance

Investment performance

The Charity has an agreed investment policy with its investment managers based on the requirements from the portfolio; to provide a high level of income and a capital buffer in case of a shortfall in funding-income; to accommodate the level of risk the Trustees are prepared to accept; to take account of the timescale over which the investments are expected to be held. Based on the consideration of these factors the investment benchmark agreed for the portfolio with the investment managers is: 36% FTSE All Share; 36% FTSE World Excl. UK; 13% FTA British Government Fixed All Stocks; 9% Bank of England Base Rate (+2%); 5% IPD Monthly; and 1% Bank of England Base Rate (-0.5%). This represents a strategic asset allocation of: a target of 72% (range 45-75%) in Equities with a 50/50 split between UK and Overseas ; target of 13% (range 10-35%) in Fixed Interest; target of 9% (2.5-20%) in Infrastructure; target of 5% (0-12.5%) in Property; and a target 1% (0-20%) in Cash. This allocation maintains the Hospice's 5-10 year horizon of medium to long-term investment with a Medium risk profile and Balanced investment objective.

The Trustees understand that over the long term this agreed format will allow the capital value of the portfolio to be at least retained in real terms and will generate a good level of income to support the hospice. The Trustees also understand that investments do not move in a linear fashion and there will be individual years, and periods perhaps in excess of a year, when the portfolio value may fall. However they also understand that, based on historical returns, equity investment is necessary if the value of both the capital value of the fund and income is to maintain its purchasing power when compared with inflation.

Saint Catherine's year to 31st March 2022 saw the Hospice's portfolio fluctuated due to the unprecedented events in Ukraine. At 1st April 2021 the year the portfolio was valued at £2.409m, increasing to £3.806m at 31st December 2021 reflecting further transfer of funds into our investments and market gains. However, due to the war in Ukraine the portfolio was valued at £3.557m at 31st March 2022.

The portfolio continues to be managed for long term growth in both its capital value and the level of income it can generate. For 2022 the portfolio's total return was +5.67% compared to the benchmark's +9.87%; the three year cumulative return shows +18.5% compared to the benchmark's +16.2%. In 2021-22 the Hospice received £99,405 income from its investment portfolio.

The outlook in 2022-23 is cautious in the short-term with headline consumer price inflation expected to move even higher with further Bank of England increases in base rates. The markets will have to contend with the end of quantitative easing and, potentially, the beginning of quantitative Tightening. The risk of weaker economic activity, lower corporate earnings growth and more restrictive monetary policy is an unhealthy combination, hence the short-term caution. However, despite the increased volatility, equities remain the most attractive asset class for generating long-term returns.

Appreciation

The Board again expresses its appreciation of all who work so generously for Saint Catherine's, senior management, professional staff and volunteers. Their united efforts make possible the delivery of care to our patients at the highest level of quality and the continuing outreach of knowledge and expertise in palliative care to the wider constituency.

Financial position

The overall operating surplus for the restricted and unrestricted fund, as detailed in the financial statements described as "Net income" was £1,244,020 (2021 - £1,843,980). A breakdown of the income and expenditure of the Charity and its subsidiaries is given in the Consolidated Statement of Financial Activities and associated notes.

At 31 March 2022 the Group had Net Current Assets of £3,049,677 (2021 - £2,803,392) and overall Net Assets of £11,408,279 (2021 - £10,164,259).

The Group's unrestricted funds totalled £11,263,028 (2021 - £10,049,856) and were represented by tangible fixed assets of £4,721,402 (2021 - £4,871,624), investments of £3,637,200 (2021 - £2,489,243) and unrestricted net current assets of £2,904,426 (2021 - £2,688,989).

The Group's restricted funds totalled £145,251 (2021 - £114,403) and were represented by net current assets.

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STRATEGIC REPORT

Achievements and performance

Financial review

Principal Funding Sources

The Charity's principal funding sources are shown in the Consolidated Statement of Financial Activities on page 16 of the financial statements. The main funding sources for the Hospice in 2021-22 continue to be legacies, voluntary donations, lottery and contract income from Clinical Commissioning Groups. Despite the ongoing Covid pandemic in 2021-22 the retail shops significantly recovered, almost reaching pre-pandemic levels. With a creative approach to fundraising activities during 2021-22 the Hospice also saw the income from fundraising activities and sponsorship recover well. There was some additional Government funding through grants at the end of 2021 and the early part of 2022, which has also formed a large part of the Hospice income for the year. The Trustees anticipate the impact of the pandemic will continue to affect income generation in the coming year, along with the current economic crisis, the war in Ukraine and the UK political situation, and will continually monitor the situation through regular financial reporting and review. The Trustees undertake financial modelling to continue to review actions required. The delivery of the Board's Strategic Intent continues to include the focus on continuous improvement to ensure the efficient and effective use of all our resources for the benefit of our patients, families and carers.

Investment policy and objectives

The articles of association authorise the Trustees to make and hold investments using the general funds of the charity. The Board engages appropriate professional advice in the choice and movement of investments. With the approval of the Charity Commission, the Board continues to delegate responsibility for the investment portfolio management to Investec.

The Board reviewed the "Statement of Investment Principles" produced in accordance with the Trustee Act 2000, and agreed to maintain this as the organisation's statement.

The main investment policy objectives were aimed at maintaining capital value whilst meeting a target income figure as a minimum but also aim to build reserves if possible. The Hospice continues with its ethical policy of not investing in any tobacco related equities.

Reserves policy

The reserves policy is monitored and reviewed annually by the Finance and Income Committee and the Board of Trustees.

The policy on reserves was reviewed and the Trustees agreed to stay with the formula of trying to build free reserve levels back to one year's running costs after taking into account guaranteed income, whilst at the same time looking to fund organisational development. The Trustees recognise the importance of using free reserves to help ensure continuity in the event of any large variation in income, any emergency financial demands, bridge any cash flow problems, pay for any future projects and to help generate income. The current level of free reserves allows the Trustees to cover these potential demands. The Hospice currently has free reserves of £6,541,626, which equates to 13 months running costs for 2022-23.

Going concern

The charitable company relies upon funding from voluntary donations, legacies and funding from clinical commissioning groups, which all contain a degree of uncertainty. Recognising the ongoing impact of the pandemic, the current economic crisis, the war in Ukraine and the UK political situation, as well as the recovery of income from shops and fundraising activities, along with the continued Commissioner and community support, and the current level of free reserves at the year end of 2021-22, the Trustees consider that the charitable company has sufficient resources to continue in existence for the foreseeable future.

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STRATEGIC REPORT

Principal risks and uncertainties

The Trustees consider that the principal risks and uncertainties faced by the charitable company and its subsidiaries are as follows:

- the Hospice's reliance on the generosity of the local community in providing donations, fundraising support and income and legacies.
- the pandemic, current economic crisis, war in Ukraine and the UK political situation.
- the recruitment and retention of nursing staff and medical professionals in the current healthcare environment.
- the maintenance of Government funding for hospices for the long-term and the change to Integrated Care Boards from 1st July 2022.
- the ongoing recovery for our shops income in 2022-23.
- the recruitment and retention of support staff in the current economic climate.
- the ongoing impact of the PPE requirements and the financial costs.

Plans for future periods

The Board Strategic Intent for 2021-2024 was agreed in November 2021, and our main objectives will remain as:

1. Maintain Saint Catherine's Care Quality Commission rating as 'Good' or 'Outstanding' by safely delivering to patients, carers, and families an appropriate range and quality of integrated core services, which are structured to provide easily accessible, responsive, and scalable holistic person-centred care.
2. Deliver Saint Catherine's care and support through an integrated employee and volunteer workforce of empowered people. Attract and retain people by offering attractive salary and benefits, which includes developing and investing in people through ongoing training and education. Offer a variety of high quality and flexibility opportunities for volunteers which demonstrates the unique value and potential for our volunteer role.
3. Maintain Saint Catherine's Specialist Palliative and End of Life Care focus, which is underpinned by a culture of learning and continuous improvement, together with a strong research capability. Use the outcomes of applicable research and external best practice to support continuous improvement, innovation and development of the core services provided to patients, carers, and families.
4. Utilise and develop information technology and electronic records and systems throughout Saint Catherine's to always ensure regulatory compliance, ensure good quality and robust data management, and maximise the efficient and effective use of all resources.
5. Maintain a sustainable level of total expenditure for Saint Catherine's, which is at least 2% less than our total income, through a culture of continuous improvement and with effective and efficient use of resources across all departments.
6. Ensure Saint Catherine's maintains a visible profile and a highly respected reputation in all the local communities for whom we deliver care and support.

We continue to work towards demonstrating the impact of the work we do and evaluating the Integrated Palliative Care Services.

The Board of Trustees in conjunction with members of the Board Committees and the Executive Team will ensure the delivery of the Board Strategic Intent 2021-2024. Fundamentally, the Board continuously improves services to ensure the Hospice is 'fit for the future' and remains on a solid and secure financial foundation and this will remain the priority in 2022-2023.

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Report of the Trustees
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust is a company without share capital, governed by its memorandum and articles of association, incorporated on 7 April 1982.

Recruitment and appointment of new trustees

The appointment and election of Trustees are governed by the articles of association. Under those articles one third of the Trustees are subject to retirement at each annual general meeting and are eligible for re-election.

This year Margaret Middlebrook and John Stevenson were re-elected to the Board. Simon Ward retired as a Trustee and Saint Catherine's thanked Simon for his long service and dedication to the Hospice and for his leadership during one of the most challenging periods in Saint Catherine's history. New Trustees are eligible for election by recommendation of the existing Trustees or by written notice from a member. Each Trustee serves on at least one sub committee and the Chairman is an ex officio member of all sub committees.

Organisational structure

The organisational structure of the Trust is made up of an Executive Committee, known as the Board of Trustees, of up to fifteen Trustees who are recruited from the wider body of members of the Trust which currently number 32. Board Members are nominated by at least two other members of the Board and will be invited to sit on one or more of the Hospice's Board Committees. All Board members are elected for a period of three years after which time they can put their name forward for re-election at the AGM if they so wish. The total number of years that a Trustee can normally serve is nine years.

Saint Catherine's Hospice Trust has two wholly owned trading subsidiaries, Scarborough Hospice Sales Limited and Saint Catherine's Hospice Lottery Limited, both incorporated in England and Wales. The directors of the subsidiaries are also Trustees of the charity.

Decision making

The Board of Trustees, which is attended by the Board members and the Chief Executive, Clinical Services Director, Medical Director and Fundraising and Marketing Director, meets four times a year and receives reports from the three Committees. The Board governance structure maintains three Committees being the Finance and Income Generation Committee, Governance and Compliance Committee and the People and Resources Committee. Each Committee meets four times a year and are attended by at least two Board members, co-opted members and relevant senior management. The Governance and Compliance Committee is responsible for all Hospice governance and audit matters including clinical governance, information governance, and health & safety governance, which they report to Board. The Finance and Income Committee is responsible for financial and investment aspects of governance, the annual financial audit, along with income generation performance, which they report to the Board. The People and Resources Committee is responsible for all legal and governance matters relating to our people and the material resources of the Hospice.

Induction and training of new trustees

A Role Description and Person Specification for the role of Trustee has been drawn up and all Trustees are required to sign up to a Trustee code of conduct, an eligibility statement declaring they are a fit and proper person to undertake the role of a trustee and a separate confidentiality statement. Additionally, Trustees are DBS checked and checks are made at Companies House to ensure Trustees are not disqualified as being Directors. New Trustees will be invited to spend a day at the Hospice to see all the facilities and meet staff and will be provided with guidance on the roles and responsibilities of Hospice Trustees using guidance produced nationally by HospiceUK and the Charity Commission. In addition to Committees and Board meetings the Trustees take part in an annual away day with senior staff and are invited to attend other information events such as the volunteers forum. The Board also undertake regular Announced Visits and these will be restarted in 2022-23 following a suspension of these during the Covid-19 pandemic over the last 2 years.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Senior management remuneration

The remuneration of the senior management team is reviewed as required by the Board of Trustees in line with staff pay reviews.

Relationships

The Hospice continues to encourage its senior personnel to participate in the activities of the various professional organisations available to them. Each of the multi-disciplinary functions meets with its peers in other Hospices across Yorkshire and the Humber, which includes CEO Forums and the Executive Clinical Leads in Hospice and Palliative Care Forum.

The work of the Palliative and End of Life Care Clinical Network, HospiceUK and the Forum of Hospice Chairpersons at both regional and national level, is supported.

As part of the engagement response to the implementation of Integrated Care Boards from 1st July 2022, Saint Catherine's engaged with a new initiative for the 7 hospices across the Humber and North Yorkshire Health and Care Partnership. This collaboration has been established with a Memorandum of Understanding and we anticipate this facilitating engagement with the new healthcare structures and commissioning frameworks.

Regular contact and liaison is maintained both with the purchasers and fellow providers of health care in the region covered by the Hospice, and we remain committed to a policy of collaboration, cooperation, and partnership.

Related parties

None of the Trustees receive remuneration or any other benefit from the charity.

The Trustees are required to submit annual related party forms to the charity detailing their family connections and external business interests.

The charity's wholly owned subsidiaries, Scarborough Hospice Sales Limited and Saint Catherine's Hospice Lottery Limited trade on behalf of the charity. The results of the individual subsidiaries are detailed in note 13 to the financial statements. The financial statements consolidate the results of the charitable company and both subsidiaries.

Risk management

The Trustees acknowledge their responsibility in identifying major risks to which the Hospice may be exposed and have a formal process of risk management. An updated Risk Management Policy has been approved and a mechanism for regular annual review detailed. The Board Risk Register is reviewed quarterly at each Board meeting.

The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed through the day to day Executive Team activities, and systems have been established to mitigate those risks. The risk identification process for non financial risk is undertaken initially by the Chief Executive in conjunction with the professional managers of the Executive Team. As areas of risk are identified, they are reviewed initially by the Executive Team, and may then be referred to either a Trustee Committee for consideration, or directly to a Board Meeting. A decision on appropriate action or implementation of a system will then be made by Trustees.

In respect of financial risk, the trustees identify major risk through consideration at the Finance and Income Committee and this is then fed in to the Board which is attended by trustees who include some who are either professionally qualified in finance or experienced in handling financial matters as part of their professions. Security of IT services has been confirmed by the successful completion of NHS Data and Security Prevention Toolkit.

The Board and senior management regularly review the organisations safeguarding, health, safety and risk management policies, procedures, systems and processes. In November 2021 the Board appointed Dougy Lumb as the Trustee Safeguarding Lead for Saint Catherine's.

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REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
1627610 (England and Wales)

Registered Charity number
284701

Registered office
Throxenby Lane
Scarborough
North Yorkshire
YO12 5RE

Trustees

M Middlebrook (Chair)
J Stevenson (Deputy Chair)
S Burnett - resigned 24 May 2022
M Chell
L Holbrook
D Lumb
S J Mudd - appointed 23 May 2022
S Standard-Sheader
D Westmoreland

Company Secretary
M G Wilkerson

Executive Team

M G Wilkerson (Chief Executive)
T Calcraft
M Muir
S Callin

Auditors

Ingham & Co.
Chartered Accountants
Statutory Auditor
George Stanley House
2 West Parade Road
Scarborough
North Yorkshire
YO12 5ED

Bankers

HSBC Bank PLC
33 St Nicholas Street
Scarborough
YO11 2HN

Solicitors

Thorpe & Co.
3 Bagdale
Whitby
YO21 1QL

Saint Catherine's Hospice Trust
Report of the Trustees
for the year ended 31 March 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Investment advisers

Investec
2 Gresham Street
London
EC2V 7QN

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Saint Catherine's Hospice Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Ingham & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

The Report of the trustees, which incorporates a strategic report, was approved by order of the board of trustees, as the company directors, on 22 August 2022 and signed on the board's behalf by:



M Middlebrook
Chairman of Trustees

**Report of the Independent Auditors
to the Members of Saint Catherine's Hospice Trust**

Opinion

We have audited the financial statements of Saint Catherine's Hospice Trust (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated Statement of Financial Activities, the consolidated and charitable parent company 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 and charitable parent company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group and charitable parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (incorporating the strategic report and the report of the directors) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors
to the Members of Saint Catherine's Hospice Trust**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable parent company 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 group's and charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable parent company and its subsidiaries through discussions with trustees and other management, and from our commercial knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable parent company and its subsidiaries, including the Companies Act 2006, the Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation and Care Quality Commission regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and inspecting Minutes of Trustee meetings and Leadership Group meetings; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**Report of the Independent Auditors
to the Members of Saint Catherine's Hospice Trust**

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with the Care Quality Commission, H M Revenue and Customs and the company's legal advisors.

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

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

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

Use of our report

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



Paul Webster BA FCA CTA (Senior Statutory Auditor)
for and on behalf of Ingham & Co.
Chartered Accountants
Statutory Auditor
George Stanley House
2 West Parade Road
Scarborough
North Yorkshire
YO12 5ED

Date: 22 August 2022

Saint Catherine's Hospice Trust

Consolidated Statement of Financial Activities
(incorporating a consolidated Income and Expenditure Account)
for the year ended 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds as restated 2021 £
Income from:					
Donations and legacies					
Legacies		820,252	-	820,252	1,042,177
Donations		366,885	1,000	367,885	457,107
General trusts and foundations		87,966	47,530	135,496	138,604
Fundraising donations and sponsorship		211,102	-	211,102	120,590
Grants received	4	55,942	-	55,942	436,603
Charitable activities					
Funding from Clinical Commissioning Groups		1,557,206	569,989	2,127,195	2,076,502
Education course income		14,199	-	14,199	13,128
Grants received	4	-	716,395	716,395	1,159,694
Other trading activities					
Fundraising events		126,499	-	126,499	88,194
Charity shops and sales of other goods		960,264	-	960,264	270,449
Room hire		2,508	-	2,508	3,880
Support services		25,390	-	25,390	23,523
Lottery and prize draws		366,623	-	366,623	373,530
Investments	5	99,405	-	99,405	74,342
Other income					
Gain on disposal of fixed assets		1,223	-	1,223	433,698
Total Income		<u>4,695,464</u>	<u>1,334,914</u>	<u>6,030,378</u>	<u>6,712,021</u>
Expenditure on:					
Raising funds					
Donations and legacies	6	237,944	-	237,944	262,880
Other trading activities	6	917,730	-	917,730	829,140
Lottery and prize draws	6	204,046	-	204,046	192,984
Investment management costs	6	25,054	-	25,054	19,164
Charitable activities	6	2,195,897	1,304,066	3,499,963	3,949,610
Total Expenditure		<u>3,580,671</u>	<u>1,304,066</u>	<u>4,884,737</u>	<u>5,253,778</u>
Net income/(expenditure) before other recognised gains		1,114,793	30,848	1,145,641	1,458,243
Net (losses)/gains on investments		98,379	-	98,379	385,737
Net Income/(Expenditure)		1,213,172	30,848	1,244,020	1,843,980
Total funds brought forward		10,049,856	114,403	10,164,259	8,320,279
Total funds carried forward		<u>11,263,028</u>	<u>145,251</u>	<u>11,408,279</u>	<u>10,164,259</u>

Continuing operations

All income and expenditure has arisen from continuing activities.

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year. A detailed Consolidated Statement of Financial Activities for the comparative year ended 31 March 2021 is disclosed in note 10 to the financial statements.

Saint Catherine's Hospice Trust

Balance Sheets as at 31 March 2022

		Group		Charity	
		2022	2021	2022	2021
			as restated		as restated
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	12	4,721,402	4,871,624	4,720,274	4,870,248
Investments	13	3,637,200	2,489,243	3,637,207	2,489,250
		<u>8,358,602</u>	<u>7,360,867</u>	<u>8,357,481</u>	<u>7,359,498</u>
Current assets					
Stocks		18,702	23,257	14,566	17,825
Debtors	15	1,571,507	911,083	1,703,203	1,017,010
Cash at bank and in hand		2,081,238	2,258,246	1,880,955	2,085,560
		<u>3,671,447</u>	<u>3,192,586</u>	<u>3,598,724</u>	<u>3,120,395</u>
Creditors: amounts falling due within one year	16	(621,770)	(389,194)	(549,943)	(317,651)
Net current assets		<u>3,049,677</u>	<u>2,803,392</u>	<u>3,048,781</u>	<u>2,802,744</u>
Total net assets		<u><u>11,408,279</u></u>	<u><u>10,164,259</u></u>	<u><u>11,406,262</u></u>	<u><u>10,162,242</u></u>
The funds of the charity:					
Unrestricted funds	17	11,263,028	10,049,856	11,261,011	10,047,839
Restricted income funds	17	145,251	114,403	145,251	114,403
Total charity funds		<u><u>11,408,279</u></u>	<u><u>10,164,259</u></u>	<u><u>11,406,262</u></u>	<u><u>10,162,242</u></u>

The financial statements were approved by the Board of Trustees on 22 August 2022 and were signed on its behalf by:


M Middlebrook


J Stevenson

Saint Catherine's Hospice Trust

Consolidated Statement of cash flows for the year ended 31 March 2022

	Note	2022	2021 as restated
		£	£
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	(a)	804,843	882,897
Cash flows from investing activities:			
Dividends, interest and rents from investments		99,405	74,342
Purchase of property, plant and equipment		(32,900)	(14,389)
Proceeds from the sale of investments		1,156,481	313,066
Proceeds from the sale of tangible fixed assets		1,222	517,956
Purchase of investments		(2,206,059)	(386,917)
		<u>(981,851)</u>	<u>504,058</u>
Change in cash and cash equivalents in the reporting period		(177,008)	1,386,955
Cash and cash equivalents at the beginning of the reporting period		<u>2,258,246</u>	<u>871,291</u>
Cash and cash equivalents at the end of the reporting period	(b)	<u>2,081,238</u>	<u>2,258,246</u>

Notes to the consolidated statement of cash flows

(a) Reconciliation of net income/(expenditure) to net cash flow from operating activities	2022	2021 as restated
	£	£
Net income/(expenditure) for the reporting period	1,244,020	1,843,980
Adjustments for:		
Depreciation charges	183,123	201,226
(Gains)/losses on investments	(98,379)	(385,737)
(Gains)/losses on disposal of fixed assets	(1,223)	(433,698)
Interest received	(46)	(431)
Dividends received	(88,370)	(67,043)
Rents from investment	(10,989)	(6,868)
(Increase)/decrease in stocks	4,555	6,551
(Increase)/decrease in debtors	(660,424)	261,315
Increase/(decrease) in creditors	232,576	(536,398)
Net cash provided by/(used in) operating activities	<u>804,843</u>	<u>882,897</u>
(b) Analysis of cash and cash equivalents	2022	2021
	£	£
Cash at bank and in hand	<u>2,081,238</u>	<u>2,258,246</u>
	<u>2,081,238</u>	<u>2,258,246</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) '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 (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The Hospice Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policies.

The presentation currency of the financial statements is the Pound Sterling (£).

Income

All income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. All income is stated excluding discounts, rebates, value added tax and other sales taxes.

For legacies, the charitable company is considered to be entitled to the funds, when it is aware of the existence of a valid Will and the death of the benefactor. A legacy is considered probable when there has been a grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are in control or met by the charitable company. A legacy is measurable when it can be measured or estimated with sufficient reliability.

Gifts in kind are recognised at the estimated market value of the gift when it is received, with the exception of donated goods for resale, which are not recognised until they have been sold.

Income from events and fundraising are recognised when the event takes place.

Income from the Health Authority, Government and other grants, whether a capital or revenue grant, are recognised when the charitable company 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.

Income is deferred where it is received in advance to be expended in the following period or it relates to a future fundraising event.

Investment income is included when receivable and the amount can be measured reliably.

Resources expended

All expenditure is included within the Statement of Financial Activities on an accruals basis inclusive of any VAT that cannot be recovered. Expenditure has been allocated to a particular activity where costs relate directly to that activity. Where it is necessary to allocate costs between activities, the trustees use their best judgement and estimates to fairly allocate the costs.

Expenditure on raising funds comprises fund-raising costs incurred in seeking voluntary contributions, shop expenses and investment management advice.

Expenditure on charitable activities comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Notes to the financial statements for the year ended 31 March 2022

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Fixed assets are stated at cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful economic life:

Freehold buildings	- 2% Straight line
Fixtures, fittings and equipment	- 20% Straight line
Motor vehicles	- 20% Straight line

No depreciation is charged on freehold land. The charity capitalisation threshold for tangible fixed assets is £1,500.

Investments

Investments (other than investments in subsidiaries) are a form of basic financial instrument and are stated at market value at the balance sheet date. All gains and losses are reflected through the Statement of Financial Activities. Investments in subsidiaries are included at cost and the Trustees review the carrying value annually for indications of impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Donated items for resale are not included in the financial statements until they are sold.

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.

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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objective at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension cost and other post-retirement benefits

The charitable company operates two defined contribution schemes. The charitable company also makes contributions to the NHS Pension Scheme which is an unfunded defined benefit scheme. The charitable company is unable to identify its share of the underlying assets and liabilities of the NHS scheme and therefore the scheme is accounted for as if it was a defined contribution scheme. Contributions payable to all schemes are charged to the Statement of Financial Activities in the period to which they relate.

Subsidiaries

The charitable company has two wholly owned subsidiaries, Scarborough Hospice Sales Limited and Saint Catherine's Hospice Lottery Limited, both of which are incorporated in England. Both companies are obliged under their constitutions to apply their profits towards the promotion and carrying out of the objects of the charitable company. A summary of the trading results of both subsidiaries is contained in the notes to the financial statements. These financial statements consolidate the results of the charitable company and both subsidiaries.

Notes to the financial statements for the year ended 31 March 2022

1. ACCOUNTING POLICIES - continued

Taxation

The charitable company is exempt from tax on its charitable activities.

Group financial statements

The financial statements consolidate the results of charity and its wholly owned subsidiaries on a line by line basis. A separate Statement of Financial Activities, including the income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions offered by section 408 of the Companies Act 2006. The summary financial performance of the charity alone is disclosed in note 14 of the financial statements.

Volunteers

No amounts are included in the financial statements for services donated by volunteers.

Operating leases

Operating lease rentals are included in the Statement of Financial Activities in the period to which they relate.

Financial instruments

The charitable company only enters into basic financial instruments that result in the recognition of financial assets and liabilities such as trade debtors, other debtors and creditors. Debt instruments that are payable or receivable within one year, are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

Going concern

The charitable company meets its daily working capital requirements from its bank accounts, which at 31 March 2022 were in excess of £2,050,000. The charitable company relies upon funding from voluntary donations, legacies and funding from clinical commissioning groups, which all contain a degree of uncertainty. However, the charitable company has a favourable fundraising history and given the level of free reserves at the year end, the Trustees consider that the charitable company has sufficient resources to continue in existence for the foreseeable future. Consequently the financial statements have been prepared on a going concern basis.

Judgements and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Critical judgements in applying the company's policies

The trustees do not consider that there are any significant judgements which have had to be made in preparing these financial statements.

Critical accounting estimates and assumptions

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful lives and residual values of the assets. The assumptions used regarding useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates based on market conditions and physical conditions of the assets.

Legacies are recognised as income when probate has been granted, the charitable company has established that it is entitled to the funds and the charity has sufficient information with which to estimate reliably the amount receivable.

Notes to the financial statements for the year ended 31 March 2022

2. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. NET INCOME

	2022	2021 as restated
	£	£
Net income is stated after charging/(crediting):		
Operating lease rentals - Land, buildings and equipment	149,277	151,342
Depreciation of tangible fixed assets	183,123	201,226
Profit/(loss) on disposal of fixed assets	1,223	433,698
	<u>713,623</u>	<u>786,266</u>

4. GRANT INCOME

	2022	2021 as restated
	£	£
COVID-19 grants:		
National Health Service England emergency hospice grant funding	716,395	1,159,694
Coronavirus job retention scheme	20,885	184,429
Coronavirus sick pay scheme	1,720	7,862
Coronavirus retail grants	33,337	243,933
Other grants	-	379
	<u>772,337</u>	<u>1,596,297</u>
Allocated to:		
Donations and legacies	55,942	436,603
Charitable activities	716,395	1,159,694
	<u>772,337</u>	<u>1,596,297</u>

5. INCOME FROM INVESTMENTS

	2022	2021 as restated
	£	£
Bank interest	46	431
Dividends	88,370	67,043
Rental income	10,989	6,868
	<u>99,405</u>	<u>74,342</u>

Notes to the financial statements for the year ended 31 March 2022

6. ANALYSIS OF EXPENDITURE	Direct costs	Support costs (note 7)	2022	2021 as restated
	£	£	£	£
Costs of raising funds				
Donations and legacies	181,573	56,371	237,944	262,880
Other trading activities	794,616	123,114	917,730	829,140
Lottery and prize draws	204,046	-	204,046	192,984
Investment management costs	19,120	5,934	25,054	19,164
Charitable activities				
Inpatient unit	1,599,223	496,471	2,095,694	2,240,505
Clinics & therapy	184,278	57,208	241,486	365,495
Community Care	769,133	123,370	892,503	1,065,206
Bereavement support services	173,220	53,775	226,995	222,015
Education	33,031	10,254	43,285	56,389
	<u>3,958,240</u>	<u>926,497</u>	<u>4,884,737</u>	<u>5,253,778</u>

7. ANALYSIS OF SUPPORT COSTS	2022	2021 as restated
	£	£
Salaries	408,196	419,678
Premises	93,821	100,159
Consumables	83,399	72,239
Maintenance	57,940	68,425
Professional fees	65,241	67,144
Depreciation	167,754	166,994
Training	15,148	11,076
Governance	27,701	15,913
Transport	6,669	4,753
Sundry expenses	628	179
Total support costs	<u>926,497</u>	<u>926,560</u>

All support costs and governance costs are apportioned between the various activities in accordance with the levels of the direct costs. This method of apportionment represents a reasonable approximation of the usage of support costs and governance cost by each activity.

Allocated to:

Expenditure on raising funds (note 6):

Costs of generating donations and legacies	56,371	57,105
Other trading activities	123,114	102,907
Investments	5,934	4,163

Expenditure on charitable activities (note 6):

Inpatient unit	496,471	486,692
Clinics & therapy	57,208	79,394
Community care	123,370	135,823
Bereavement support services	53,775	48,227
Education	10,254	12,249
	<u>926,497</u>	<u>926,560</u>

Notes to the financial statements for the year ended 31 March 2022

8. PENSION COSTS

The trust operates two defined contribution pension schemes, the assets of which are held separately from those of the trust in independently administered funds. In addition, the trust also makes contributions to the NHS Pension Scheme, which is an unfunded defined benefit scheme. As the trust is unable to identify its share of the underlying assets and liabilities of the NHS Pension Scheme, this is also accounted for as a defined contribution scheme. Each member of the scheme pays a common contribution rate as set by the Government. The pension costs charge for the year represents contributions payable by the trust to the schemes.

	2022	2021 as restated
	£	£
Defined contribution schemes	84,995	85,596
NHS Pension Scheme	113,435	139,361
	<u>198,430</u>	<u>224,957</u>

Pension contributions amounting to £12,343 (2021 - £12,235) were payable to defined contribution schemes and £17,333 (2021 - £Nil) were payable to the NHS Pension Scheme at the year end. These amounts are included in creditors.

9. STAFF COSTS AND NUMBERS

	2022	2021 as restated
	£	£
Wages and salaries	3,134,128	3,484,719
Social Security costs	272,863	296,998
Pension costs	198,430	224,957
	<u>3,605,421</u>	<u>4,006,674</u>

The trustees do not receive any emoluments and are not reimbursed for any expenses incurred. The key management personnel of the trust and the group is the Executive Team, which comprises the Chief Executive, the Income and Business Services Director, the Medical Director and the Clinical Services Director. The total employee benefits of the key management personnel was £366,431 (2021 - £350,592).

The total amount of termination payments recognised as expenditure in the Consolidated Statement of Financial Activities for the year was £Nil (2021 - £87,199). These relate to redundancy payments, payments in lieu of notice and ex-gratia payments.

The number of employees whose total employee benefits, excluding pension contributions, were over £60,000, were as follows:

	2022 No.	2021 No.
£60,000 to £70,000	2	2
£70,000 to £80,000	2	2
£80,000 to £90,000	1	2
£90,000 to £100,000	1	-
	<u>6</u>	<u>6</u>

The average monthly head count of employees, analysed by function, was:

Patient care	82	94
Ancillary staff	28	34
Shop staff	25	27
Administrative staff	20	24
	<u>155</u>	<u>179</u>

Notes to the financial statements for the year ended 31 March 2022

10. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
PRIOR YEAR COMPARATIVES FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted funds	Restricted funds	Total funds 2021 as restated £
	£	£	£
Income and endowments from:			
Donations and legacies			
Legacies	1,032,177	10,000	1,042,177
Donations	434,246	22,861	457,107
General trusts and foundations	110,064	28,540	138,604
Fundraising donations and sponsorship	120,590	-	120,590
Grants received	436,603	-	436,603
Charitable activities			
Funding from Clinical Commissioning Groups	1,499,604	576,898	2,076,502
Education course income	13,128	-	13,128
Grants received	-	1,159,694	1,159,694
Other trading activities			
Fundraising events	88,194	-	88,194
Charity shops and sales of other goods	270,449	-	270,449
Room hire	3,880	-	3,880
Support services	23,523	-	23,523
Lottery and prize draws	373,530	-	373,530
Investments	74,342	-	74,342
Other income			
Gain on disposal of fixed assets	433,698	-	433,698
Total Income	4,914,028	1,797,993	6,712,021
Expenditure on:			
Raising funds			
Donations and legacies	262,880	-	262,880
Other trading activities	829,140	-	829,140
Lottery and prize draws	192,984	-	192,984
Investment manager's costs	19,164	-	19,164
Charitable activities	2,166,247	1,783,363	3,949,610
Total Expenditure	3,470,415	1,783,363	5,253,778
Net income/(expenditure) before other recognised gains	1,443,613	14,630	1,458,243
Net gains on investments	385,737	-	385,737
Net Expenditure	1,829,350	14,630	1,843,980
Total funds brought forward	8,220,506	99,773	8,320,279
Total funds carried forward	10,049,856	114,403	10,164,259

Notes to the financial statements for the year ended 31 March 2022

11. OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Group		Charity	
	2022	2021 as restated	2022	2021 as restated
	£	£	£	£
On land and buildings:				
Within one year	93,381	145,173	93,381	145,173
Within two to five years	155,500	232,881	155,500	232,881
Over five years	44,000	60,000	44,000	60,000
	<u>292,881</u>	<u>438,054</u>	<u>292,881</u>	<u>438,054</u>
On other assets:				
Within one year	1,857	6,250	1,857	6,250
Within two to five years	619	-	619	-
	<u>2,476</u>	<u>6,250</u>	<u>2,476</u>	<u>6,250</u>

12. TANGIBLE FIXED ASSETS - GROUP

	Freehold land & buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
As at 1 April 2021	7,779,093	655,922	89,873	8,524,888
Additions	4,862	28,038	-	32,900
Disposals	-	(11,494)	(5,764)	(17,258)
As at 31 March 2022	<u>7,783,955</u>	<u>672,466</u>	<u>84,109</u>	<u>8,540,530</u>
Depreciation				
As at 1 April 2021	2,999,213	565,363	88,688	3,653,264
Charge for the year	144,919	37,644	560	183,123
Eliminated on disposal	-	(11,495)	(5,764)	(17,259)
As at 31 March 2022	<u>3,144,132</u>	<u>591,512</u>	<u>83,484</u>	<u>3,819,128</u>
Net book value				
As at 31 March 2022	<u>4,639,823</u>	<u>80,954</u>	<u>625</u>	<u>4,721,402</u>
As at 1 April 2021	<u>4,779,880</u>	<u>90,559</u>	<u>1,185</u>	<u>4,871,624</u>

Notes to the financial statements for the year ended 31 March 2022

12. TANGIBLE FIXED ASSETS - CHARITY

	Freehold land & buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
As at 1 April 2021	7,779,093	653,425	89,873	8,522,391
Additions	4,862	28,038	-	32,900
Disposals	-	(11,494)	(5,764)	(17,258)
As at 31 March 2022	<u>7,783,955</u>	<u>669,969</u>	<u>84,109</u>	<u>8,538,033</u>
Depreciation				
As at 1 April 2021	2,999,213	564,242	88,688	3,652,143
Charge for the year	144,919	37,396	560	182,875
Eliminated on disposal	-	(11,495)	(5,764)	(17,259)
As at 31 March 2022	<u>3,144,132</u>	<u>590,143</u>	<u>83,484</u>	<u>3,817,759</u>
Net book value				
As at 31 March 2022	<u>4,639,823</u>	<u>79,826</u>	<u>625</u>	<u>4,720,274</u>
As at 1 April 2021	<u>4,779,880</u>	<u>89,183</u>	<u>1,185</u>	<u>4,870,248</u>

13. FIXED ASSET INVESTMENTS - GROUP AND CHARITY

	2022 £	2021 as restated £
Listed investments		
Valuation at 1 April 2021	2,409,243	1,949,655
Additions	2,206,059	386,917
Disposals	(1,146,259)	(297,879)
Revaluation surplus/(deficit)	88,157	370,550
Valuation at 31 March 2022	<u>3,557,200</u>	<u>2,409,243</u>
Secured property asset		
Valuation at 1 April 2021 and 31 March 2022	<u>80,000</u>	<u>80,000</u>
Total group investments	<u>3,637,200</u>	<u>2,489,243</u>
Equity investments in subsidiaries		
At 31 March 2021 and 31 March 2022	<u>7</u>	<u>7</u>
Total charity investments	<u>3,637,207</u>	<u>2,489,250</u>
Original cost of investments stated at valuation	<u>2,839,322</u>	<u>1,779,522</u>

The secured property asset represents a 50% beneficial interest in a freehold property, which was donated to the charitable company in earlier years and is included in the financial statements at its estimated value, based on the open market value of the underlying property. The open market value of the underlying property has been estimated by the Trustees by reference to the similar properties in the immediate vicinity. The charitable company is unable to realise this investment without the agreement of the other beneficial owners. Changes in the estimated value of the secured property asset are included in the Statement of Financial Activities.

Notes to the financial statements for the year ended 31 March 2022

13. FIXED ASSET INVESTMENTS - GROUP AND CHARITY - continued

The investment in subsidiary undertakings comprises 100% of the issued share of Scarborough Hospice Sales Limited and Saint Catherine's Hospice Lottery Limited. Summaries of the results of the subsidiaries are as follows:

	2022 £	2021 £
Scarborough Hospice Sales Limited (Company number: 02053320)		
Turnover	45,715	32,142
Cost of sales	(16,684)	(11,619)
Gross profit	29,031	20,523
Operating expenses	(10,389)	(10,464)
Profit on ordinary activities	18,642	10,059
Interest payable and similar expenses	-	-
Amount gift aided to the charity	(18,642)	(10,059)
Retained in subsidiary	-	-
Assets	19,718	34,718
Liabilities	(18,712)	(33,712)
Net assets	1,006	1,006
Represented by:		
Capital	6	6
Reserves	1,000	1,000
	<u>1,006</u>	<u>1,006</u>
Saint Catherine's Hospice Lottery Limited (Company Number: 03580724)		
Turnover	366,623	373,530
Cost of sales	(130,800)	(130,710)
Gross profit	235,823	242,820
Operating expenses	(73,246)	(62,274)
Profit on ordinary activities	162,577	180,546
Amount gift aided to the charity	(162,577)	(180,546)
Retained in subsidiary	-	-
Assets	185,832	147,306
Liabilities	(184,821)	(146,295)
Net assets	1,011	1,011
Represented by:		
Capital	1	1
Reserves	1,010	1,010
	<u>1,011</u>	<u>1,011</u>

Scarborough Hospice Sales Limited undertakes the sale of new goods, calendars and greetings cards. Saint Catherine's Hospice Lottery Limited undertakes the operation of the lottery and prize draws. The registered office of both subsidiaries is Saint Catherine's Hospice, Throxenby Lane, Scarborough, North Yorkshire, YO12 5RE.

Notes to the financial statements for the year ended 31 March 2022

14. FINANCIAL PERFORMANCE OF THE CHARITY

The summary financial performance of the charity alone is as follows:

	2022	2021 as restated
	£	£
Total Income	5,799,259	6,496,954
Total Expenditure	(4,653,618)	(5,038,711)
Net gains on investments	98,379	385,737
Net income/(expenditure)	1,244,020	1,843,980
Total funds brought forward	10,162,242	8,318,262
	<u>11,406,262</u>	<u>10,162,242</u>
Represented by:		
Restricted funds	145,251	114,403
Unrestricted funds	11,261,011	10,047,839
	<u>11,406,262</u>	<u>10,162,242</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021 as restated	2022	2021 as restated
	£	£	£	£
Trade debtors	15,653	20,339	15,653	17,811
Amounts owed by group undertakings	-	-	131,696	108,455
Other debtors	33,657	24,433	33,657	24,433
Prepayments	84,412	57,190	84,412	57,190
Accrued income	1,437,785	809,121	1,437,785	809,121
	<u>1,571,507</u>	<u>911,083</u>	<u>1,703,203</u>	<u>1,017,010</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021 as restated	2022	2021 as restated
	£	£	£	£
Trade creditors	54,345	52,833	51,698	49,727
Taxation and social security	70,286	75,753	67,677	73,583
Other creditors	17,494	17,939	12,994	15,439
Accruals	187,374	148,603	125,302	142,539
Deferred income	292,271	94,066	292,272	36,363
	<u>621,770</u>	<u>389,194</u>	<u>549,943</u>	<u>317,651</u>
Deferred income				
Balance brought forward	94,066	88,900	579,694	88,900
Amount released to the SOFA	(94,066)	(88,900)	(579,694)	(88,900)
Amount deferred in the year	292,271	94,066	151,769	579,694
	<u>292,271</u>	<u>94,066</u>	<u>151,769</u>	<u>579,694</u>

Notes to the financial statements for the year ended 31 March 2022

17. STATEMENT OF FUNDS

	At 1 April 2021 as restated	Movement in resources			At 31 March 2022
	£	Income £	Expenditure £	Investment Gains/(Losses) £	£
Group unrestricted funds					
General fund	<u>10,049,856</u>	<u>4,695,464</u>	<u>(3,580,671)</u>	<u>98,379</u>	<u>11,263,028</u>
Charity unrestricted funds					
General fund	<u>10,047,839</u>	<u>4,464,345</u>	<u>(3,349,552)</u>	<u>98,379</u>	<u>11,261,011</u>
Group and Charity restricted funds					
Contract income	-	569,989	(569,989)	-	-
Legacies income	72,255	-	-	-	72,255
Trusts and foundation income	39,999	47,530	(16,673)	-	70,856
Donations income	2,149	1,000	(1,009)	-	2,140
Grant income	-	716,395	(716,395)	-	-
	<u>114,403</u>	<u>1,334,914</u>	<u>(1,304,066)</u>	<u>-</u>	<u>145,251</u>
Group total funds	<u>10,164,259</u>	<u>6,030,378</u>	<u>(4,884,737)</u>	<u>98,379</u>	<u>11,408,279</u>
Charity total funds	<u>10,162,242</u>	<u>5,799,259</u>	<u>(4,653,618)</u>	<u>98,379</u>	<u>11,406,262</u>

Please refer to Note 23 for details of the prior year adjustment, including the reconciliation of the reserves carried forward as previously reported to the restated balances above.

Unrestricted funds

The general fund represents the free reserves of the charity that are not designated or restricted for a particular purpose

Restricted funds

The restricted funds represent monies received for specific purposes, as follows:

The restricted contract income includes £269,546 received to be spent on the End of Life Beds project, £70,021 to be spent on the Care Home Link Nurses Project Funding, £269,008 to be spent on the Hospice at Home project, £135,428 to be spent on the Nurse Led Beds project, £61,956 for Pharmacy Support and £33,038 to be spent on Lymphoedema services.

The restricted trusts and foundation income includes £5,000 to be used on the provision of services in the Bridlington area, £5,000 to be used on the provision of services in the Ryedale area, £17,430 to be spent on medical and other equipment, £8,000 to be spent on the provision of nursing care and £12,100 towards the re-opening of the Wellbeing Centre.

The restricted donation income of £1,000 was received towards the costs of a wedding taking place at the Hospice.

The restricted grant income of £716,395 was National Health Service England awarded funding to allow the Hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the Covid-19 pandemic.

Included in restricted funds held at 31 March 2022 is £73,915 to be spent on the purchase of capital equipment, £10,000 to be spent on the provision of services in Whitby, £10,000 to be spent on the provision of services in Bridlington, £5,000 to be spent on the provision of services in Ryedale, £10,000 to be spent assisting dementia patients in the Inpatient Unit, £6,979 to be spent on the re-opening of the Wellbeing Centre, £8,000 on the provision of nursing care and sundry other funds totalling £21,357.

Notes to the financial statements for the year ended 31 March 2022

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

As at 31 March 2022		Tangible fixed assets £	Investments £	Net current assets £	Total £
Group					
Restricted funds		-	-	145,251	145,251
Unrestricted funds		4,721,402	3,637,200	2,904,426	11,263,028
		<u>4,721,402</u>	<u>3,637,200</u>	<u>3,049,677</u>	<u>11,408,279</u>
Charity		£	£	£	£
Restricted funds		-	-	145,251	145,251
Unrestricted funds		4,720,274	3,637,207	2,903,530	11,261,011
		<u>4,720,274</u>	<u>3,637,207</u>	<u>3,048,781</u>	<u>11,406,262</u>
As at 31 March 2021 - as restated		Tangible fixed assets £	Investments £	Net current assets £	Total £
Group					
Restricted funds		-	-	114,403	114,403
Unrestricted funds		4,871,624	2,489,243	2,688,989	10,049,856
		<u>4,871,624</u>	<u>2,489,243</u>	<u>2,803,392</u>	<u>10,164,259</u>
Charity		£	£	£	£
Restricted funds		-	-	114,403	114,403
Unrestricted funds		4,870,248	2,489,250	2,688,341	10,047,839
		<u>4,870,248</u>	<u>2,489,250</u>	<u>2,802,744</u>	<u>10,162,242</u>

19. RELATED PARTY TRANSACTIONS

The total amount of donations received without conditions from the Trustees and the Executive Team was £2,219 (2021 - £9,371).

Notes to the financial statements for the year ended 31 March 2022

20. AUDITORS' REMUNERATION

	Group		Charity	
	2022	2021 as restated	2022	2021 as restated
	£	£	£	£
Audit fees	12,710	12,025	8,250	7,745
Accountancy, taxation and other services	5,255	5,050	3,550	3,345
	<u>17,965</u>	<u>17,075</u>	<u>11,800</u>	<u>11,090</u>

21. FINANCIAL ASSETS AND LIABILITIES

	Group	
	2022	2021 as restated
	£	£
Carrying value of financial assets		
Financial assets measured at fair value	3,637,200	2,489,243
Financial assets measured at amortised cost	<u>49,310</u>	<u>44,772</u>
Carrying value of financial liabilities		
Financial liabilities measured at amortised cost	<u>142,125</u>	<u>146,525</u>

Financial assets measured at fair value comprise investments held at market value.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and other creditors.

22. CONTINGENT ASSETS

At 31 March 2022, the charity had been notified of 9 legacies (2021 - 8) with an estimated value in the region of £338,250 (2021 - £280,000) which have not been recognised in the financial statements as they failed to meet one or more of the income recognition criteria.

The charity has also been notified of 10 further legacies, the value of which is uncertain due to insufficient information being available. At the date of approval of the financial statements, no further information has been received and consequently these legacies have not been recognised in the financial statements.

23. PRIOR YEAR ADJUSTMENT

During the year ended 31 March 2022, it was identified that a 50% beneficial interest in a freehold property, which was donated to the charity in earlier years, had not been reflected in the charity's financial statements. A prior year adjustment has been made to correct this error to include the market value of the asset as a secured property investment within Fixed Asset Investments. The effect of the prior year adjustment on the comparative financial statements for the year to 31 March 2021 is as follows:

Balance sheet	Group £	Charity £
Funds brought forward at 1 April 2020 as previously reported	8,240,279	8,238,262
Omitted secured property asset (note 13)	80,000	80,000
As restated	<u>8,320,279</u>	<u>8,318,262</u>
Funds carried forward at 31 March 2021 as previously reported	10,084,259	10,082,242
Omitted secured property asset (note 13)	80,000	80,000
As restated	<u>10,164,259</u>	<u>10,162,242</u>