# ST. LEONARD'S HOSPICE YORK

England & Wales · Charity number 509294

## Details

| | |
|---|---|
| **Other names** | ST LEONARD'S HOSPICE YORK, ST LEONARD'S HOSPICE YORK LIMITED |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 01451533 |
| **Registered** | 1979-12-20 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | St. Leonards Hospice<br>185 Tadcaster Road<br>Dringhouses<br>York<br>YO24 1GL |
| **Phone** | 01904708553 |
| **Email** | enquiries@stleonardshospice.org.uk |
| **Website** | www.stleonardshospice.org.uk |

## Activities

**Objects:** TO PROMOTE THE RELIEF OF SICKNESS BY SUCH CHARITABLE MEANS AS THE ASSOCIATION SHALL FROM TIME TO TIME THINK FIT.

**Activities:** St Leonard's Hospice's mission is to provide excellent care and support to those living with life-limiting illness and to the people they are about, to enrich their lives and to contribute to the ongoing development of end-of-life care.

## Classification

- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** People With Disabilities, The General Public/mankind

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## Geography

- City Of York
- East Riding Of Yorkshire
- North Yorkshire

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-03-31 | £10,328,000 | £10,481,000 | £25,673,000 | 215 |
| 2024-03-31 | £10,205,000 | £9,932,000 | £25,622,000 | 221 |
| 2023-03-31 | £8,596,000 | £8,690,000 | £24,483,000 | 227 |
| 2022-03-31 | £10,944,100 | £7,868,800 | £25,127,800 | 216 |
| 2021-03-31 | £7,582,760 | £7,326,042 | £21,580,783 | 210 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| Anthony John Taylor | | 2021-06-07 |
| DAVID SMITH | | 2024-03-11 |
| DR KATE FLEMMING | | 2017-11-20 |
| Dr Lavinia Jane Norton | | 2017-02-20 |
| Eamonn Mary Patrick Keogh | | 2018-09-03 |
| Jacqueline Patricia Myers | | 2017-02-20 |
| Lorna Elaine Allan | | 2023-06-19 |
| Melanie Kay | | 2022-10-10 |
| Prof Michael Holmes FRCGP | | 2019-09-09 |
| Sandra Elizabeth Falcus | | 2019-09-09 |
| Shaun Parker | | 2024-06-17 |

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**ST. LEONARD'S HOSPICE YORK**

England & Wales - Charity number 509294

# Accounts

# St. Leonard's Hospice York

(A company limited by guarantee)

Registered Charity No. 509294
Company No. 01451533

**Annual Report and Consolidated Financial Statements**

**for the year ending 31 March 2025**

Document ID: e720a95d068b1f0d3cbbc7b6120c41b2bf86a8a1fdf374b299746787515397b6

# St. Leonard's Hospice York

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# St. Leonard's Hospice York

**Report and financial statements for the year ending 31 March 2025**

## Foreword from the Chair and Chief Executive

The Trustees' Annual Report and audited financial statements for the year ending 31 March 2025 provide an opportunity to share information on the services we have delivered and the improvements we are planning for the year ahead.

There is no doubt that recent years have been a difficult time to be a patient, carer, family member, or an employee or volunteer in a healthcare organisation. St Leonard's Hospice has lived this challenge and is still facing it, but with the incredible support of our staff, volunteers and local population we continue to rise to meet it as these accounts will demonstrate.

St Leonard's Hospice continues to live up to its commitment to the people of York as it has for the last 40 years. We are supported by thousands of donors, volunteers, staff and partners, helping to deliver and fund vital services. In the last year, St Leonard's Hospice has continued to respond to the system-wide call to help with pressures across local hospitals and community settings, reviewing our services and asking ourselves the critical question of how we can care for more people.

Our team of nurses, doctors and allied health and social care professionals have introduced changes to our services to ensure that those in greatest need have priority access and we have been able to increase the numbers of patients in our in-patient unit beds because of that. We have also completed a full review of our Hospice@Home service to ensure that we can respond to the needs of more people living at home.

We continue to develop our outreach, well-being and bereavement offer in response to the needs of our local population and as a result we have been able to support more people who are living with life limiting illness and grief.

We are leading work across the City of York to create a Bereavement alliance to ensure, as a city, we can provide as much help as possible to those who need support. This has included developing networks of skilled professionals and piloting education and bereavement awareness sessions for people who are likely to be supporting people who have been bereaved – this includes working with schools and teaching staff.

Workforce challenges have been very real and have had significant ongoing impact for all employers, particularly those in the health and care sector – we are not immune to this and have felt impact in recent years. I am pleased to note however, that recent recruitment has been strong and the calibre and numbers of applicants for roles within the hospice are high. The ongoing cost of living challenges, recent above inflation NHS pay awards for all staff groups and most recently the increase to employer National Insurance have hit hard and will add additional pressure to us and our ability to develop sustainable plans for our future.

In view of these challenges, the Board is very proud of the outstanding care that has been provided to patients and their families and is pleased with the charity's financial performance.

Thanks to prudent financial management and strong legacy donations, the Hospice has built up good reserves and remains in a resilient financial position. We can be confident, therefore, that despite the uncertainty of some income and cost streams, we can continue to provide high quality end of life care to those who need our services, and we continue to develop ways to reach more of our community that increasingly needs our care and support.



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Our services will continue to extend and expand in the future with quality and continuous improvement at the heart of our decision making. The fact that St Leonard's consistently supports over 1000 patients and families shows how important our role in the local community continues to be. The strength of the Hospice is the commitment of staff, volunteers and supporters and the vision to improve end of life care for the people of York and North Yorkshire.

During the year, the Board welcomed a new Chair, David Smith, and new trustee Shaun Parker. They also said a grateful goodbye to David Dickson who resigned from the Board and his position as Chair following the completion of his tenure. The Board wishes to extend grateful thanks to David for his strength of leadership as Chair of the Board of Trustees and his impact as a Trustee.

On behalf of the Board of Trustees and Executive Team, we would like to thank our donors and supporters for their energy and commitment to ongoing fundraising, and the Hospice's staff and volunteers for their unwavering commitment to excellence in holistic patient care.

Signer ID: MADR1AVKVB...

**David Smith**
**Chair of the Board of Trustees**

Signer ID: NIWLG8RQC1...

**Emma Johnson**
**Chief Executive**



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## Report of the Trustees

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity for the year ending 31 March 2025, which are also prepared to meet the requirements for a directors' and strategic report and financial statements for Companies Act 2006 purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and 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 the Republic of Ireland (FRS 102) (effective 1 January 2019).

### Our purpose and activities

The charitable purpose of St. Leonard's Hospice York is to promote the relief of sickness by such charitable means as the charity shall from time to time think fit.

Our mission is to ensure that everyone living with a life limiting illness has access to the best possible care and will be supported to die well.

St. Leonard's Hospice cares for patients who have advanced, progressive and life-limiting illnesses, aiming to maintain and enhance their quality of life. We place patients at the centre of everything we do, holding important their right to be consulted and to be involved in decisions about their care.

We believe that our patients should receive holistic care, meaning that in addition to physical problems, their psychological, emotional and spiritual needs should be met as part of their care.

Our aim is to create an environment of openness and honesty where feelings can be shared with sensitivity and understanding.

### Our volunteers

The charity gratefully welcomes the unstinting help of 460 (2024: 408) volunteers in the hospice and its shops. Volunteers undertake a variety of roles at St. Leonard's and without them we would not be able to continue to provide the high standard of care to patients and families without employing additional staff. We would like to thank all our volunteers for their continued loyal support and service.

### Review of the year

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. St. Leonard's benefits the public living in its catchment area by providing specialist palliative care, without charge, for those with life-limiting illnesses. The catchment area includes, but is not exclusive to, the communities of Easingwold, Pocklington, Selby, Sherburn in Elmet, Stamford Bridge, Tadcaster, North and West Ryedale and York.



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During 2024-25 St Leonard's Hospice has been able to significantly increase its capacity to care for more patients across all services. Length of stay for patients on our in-patient unit has reduced and increased occupancy rates have resulted in us caring for 308 in-patients compared to 269 in 2023-24. These changes have been due to improved staffing, responding to more urgent admissions outside of 'normal' working hours and discussing onward care earlier in an admission and the development of a referral hub. Available beds continued to limited during the year as a result of available clinical staffing to between 12 and 14 compared to a potential maximum of 20.

Our Hospice@Home service, which works collaboratively with other primary care services and enables patients to remain in their own homes, cared for 520 patients during the year (2024: 518), and provided 6,113 hours of care (2024: 5,888). This included a pilot project to extend the hours of service to cover the full 24hr period. This pilot was not continued as demand was low and alternative ways of supporting out of hours care are being explored across the system of providers.

The Hospice's Sunflower Wellbeing Hub provides a range of drop-in sessions for the wellbeing of anyone living with a life-limiting illness. We have seen increased demand for our wellbeing and outreach offer. We know how important emotional and social support is to people and their loved ones when they are living with a life-limiting illness. As a result of this, the service has continued to diversify its offer and has gone from strength to strength. Across all sessions and services linked to the well-being hub we have provided support to 861 individuals (2024: 285).

The Carer Support service, opened in January 2023 to give carers of fast-track patients a much-needed break, provided 4294 hours of care (2024: 3,050) to 244 carers (2024: 226).

The Bereavement service developed its service through both one-to-one and group sessions, reaching 163 clients (2024: 166).

In April 2022, the Hospice achieved a 'Good' rating after inspection by the Care Quality Commission (CQC). The report highlighted that the Hospice delivers high quality, inclusive, personalised care. The Hospice continues to strive for excellence and will aim for an 'outstanding' rating when next assessed. In order to achieve this, we have addressed all of the recommendations of the CQC report.

**Key Achievements**

During the year ended 31 March 2025, our key achievements were:

- A 14% increase in in-patient numbers
- A full review of Hospice@Home services to ensure the service is able to meet demand and work collaboratively with partners
- Continued growth of the carer support service, which has enabled carers to have a break when caring for their loved one whose preference is to die at home.
- The continued development of well-being and outreach groups and support sessions to increase our reach by over 200% for this service
- Collaboration with partners to support people living with frailty, enabled through a Hospice UK grant
- A financial operational surplus amidst a reduction in real-term funding and very challenging financial conditions, boosted by continued strong performance across retail and fundraising events
- Introduction of staff recognition award linked to the organisational values



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- Progression of work to enable us to be more digitally enabled, including investment in infrastructure
- We were granted an opportunity to take part in the inaugural Association of Palliative Medicine's Greener Care Award scheme 2025. Work on this started in February 2025 and it will enable us to continue to improve our environmental sustainability

**Plans for the future**

The strategy for St. Leonard's Hospice needs not only to be responsive in the short-term to medium term, but also to ensure services evolve over time to meet the changing needs of service users. It is vital that the strategy also considers the affordability and medium to long-term financial sustainability of the organisation. This is particularly challenging with no clear direction or guidance on how statutory funding may increase (or decrease) in future years.

The Hospice uses a range of approaches when considering future services and shaping the strategic vision. The Humber and North Yorkshire Integrated Care System (ICS) and its strategic vision for end-of-life care is central to our plans. We are actively engaged with the local place-based Health & Care partnership board and the wider ICS Strategic Palliative and End of Life Board; through these forums we will evaluate the future needs of our local population. *The strategic plan for Palliative and End of Life Care for Humber and North Yorkshire is currently in draft form and undergoing scrutiny by the All Age Palliative and End of Life Care Board prior to publication later in the year. The content of this strategy document will be closely mapped to the overarching St Leonard's strategy to ensure alignment once it is published.*

The Trustees play an important role in formulating the strategic vision through discussions and papers at the Service Development and Governance sub-committees in particular, but also through the annual trustee strategic planning day.

Potential strategic developments are supported by budget proposals, risk analysis and recommendations to the Board of Trustees from relevant sub-committees.

Our strategic priorities in the next year will be:

- Listening to our patients and those who are important to them, to help us improve our care
- Develop a broader integrated brand and marketing approach
- Continued investment and development of our retail operation, prioritising an improved income generation hub that will leverage retail income, create improved space for online sales and create operational efficiencies
- Secure a more sustainable funding solution for Hospice care across all services in collaboration with ICB and Place based teams
- Further develop patient services and engagement with the community through integration with partners
- Digital Transformation to enhance our work with more efficient systems that enable us to use data to drive decision making
- Planning development of the hospice building to reflect changing needs, improve sustainability and ensure flexibility for developing future services
- Develop an ESG framework and implement first stage of environmental strategy, including building and environmental survey that will help to improve efficiency of the main hospice building



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## Financial review

The Trustees are satisfied with the charity's financial performance for the year ended 31 March 2025.

The results on the Consolidated Statement of Financial Activities show an operating deficit of £153k (2024: surplus of £273k). A rise in the value of investment assets (£204k, following a previous increase of £866k in the previous year) generated the total surplus reported of £51k (2024: £1,139k).

Total income rose 1% (£123k) (2024: 19% or £1.6m) compared to the prior year, from £10.2m in 2024 to £10.3m in 2025.

Donations and legacies were a key contributor to income. Donations were up £433k in 2025 to £1,334k. Legacies were however, down in 2025 by £948k to £1,964k. Shops were also a key contributor to income. Shops income rose by £161k (6%) to £2,861k. Fundraising activities income increased by £150k (33%) to £600k. Income from investments also rose by £55k to £642k. mainly due to increased yields.

Annual Expenditure increased by £549k to £10,481k (5.5%), as inflationary pressures drove up staff costs mainly in shops (up £408k to £2710k) and inpatient care (up £307k to £4,895k.) Donations costs were, however, lower in 2025 by £149k to £687k, mainly due to lower staff numbers for part of the year.

The trading subsidiary company, St. Leonard's Hospice Enterprises Limited, did not trade during the year. The sale of bought-in goods had previously been via the subsidiary but from 2024 were made via the charity as this remained below the small trading exemption.

## Principal funding source

With the exception of the funding that it receives from Integrated Care Boards (ICBs) and other NHS organisations, St. Leonard's is dependent on the support of the general public through donations, community fundraising, legacies, its lottery, fundraising events and charity shops.

In this financial year, the Hospice received funding totalling £1,997 k (2024: £1,940k) from ICBs towards the cost of patient care. This included £357k (2024: £347k) from the Humber and North Yorkshire ICB and City of York Council Better Care Fund to meet the cost of the extended Hospice@Home service, which operates every day up until midnight.

## Investment powers and policy

In accordance with the Articles of Association, the Trustees have the power to invest in such investments, securities or property as they see fit. The policy of the Board of Trustees is to use the monies of the charity for a combination of working capital, investments and property to ensure the longevity of St Leonard's Hospice. The primary objective of this policy is to preserve real value, managing risk and flexibility within an ESG framework. The portfolio currently comprises two investment funds (Sarasin Endowments Fund Class A inc. and Ruffer Charity Assets Trust) that balance equities and absolute return-based funds as well as a cash-based fund (CCLA COIF Charities Deposit Fund). The Trustees regularly review, at least on an annual basis, the proportion of the investments held in different asset classes. The performance of the portfolio is monitored and assessed in comparison with agreed composite benchmarks.



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Fund managers appointed by the Hospice are encouraged to actively engage in Environmental, Social and Governance (ESG) issues. The investment policy was revised by the Finance & Investment committee in 2024 to ensure that investments continue to be ethical and evolve in line with the short- and long-term strategies of the Hospice

Realised and unrealised gains on investment in the year totalled £204k (2024: £866k gain). This rise fell below the strategic benchmark as market recovery outpaced inflation during the year. The revaluation reserve reflects the long-term success of the policy, with gains on investments of £5,638k (2024: £5,444k) compared to historical cost.

**Reserves policy**

St Leonard's Hospice aims to maintain free reserves sufficient to cover future total forecast expenditure for at least 6 months. Free reserves are defined as total reserves less restricted reserves and designated reserves and any capital commitments.

In setting its Reserves Policy, the Board of Trustees has considered the guidance in 'CC19 Charities and Reserves' and taken its strategic aims into account.

To support its strategic aims, the Board may establish designated funds as appropriate for planned significant capital expenditure projects and new service initiatives.

Additionally, funds should permanently be designated for:

- Fixed Asset Fund - equivalent to NBV of fixed assets, representing funds that are not free reserves since they are essential to the functioning of the Hospice

- Service Continuity – it is deemed good governance to set aside funds equivalent to the cost of winding up the activities of the Hospice, notwithstanding its long-term sustainability

Reserves arising from restricted income must be held for the specific purpose intended by the donor or funder and are accounted for separately from unrestricted or designated reserves.
In setting the target level of free reserves, the Board of Trustees has considered:

- The nature of services provided and the need to provide stakeholders with assurance about the sustainability and development of services
- The charity's dependence on legacy income, which is volatile and unpredictable by nature
- Working capital and cashflow requirements
- The generally fixed nature of service delivery costs
- The use of reserves to fund planned deficit budgets
- A contingency for significant unplanned expenditure
- A contingency for a significant unplanned shortfall in income generation
- A contingency for an unexpected cut in statutory funding



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The Reserves Policy is reviewed by the Board of Trustees on an annual basis. The level of funds held by the Hospice at the year-end amounted to £25,673k (2024:£25,622k) and included designated funds (and functional assets) of £15,919k (2024: £15,402) and restricted funds of £524k (2024: £704k). After deducting designated funds, restricted funds and funds held as functional assets, the Hospice had free reserves of £9,230k (2024: £9,516k). Free reserves are held to allow the Hospice to withstand extraordinary events that significantly impact its income, and they represent 16 months' forward expenditure (2024: 16 months),

**Our approach to fundraising and compliance**

St. Leonard's Hospice is reliant on the goodwill and support of the local community to provide its services to patients and their families completely free of charge. The Hospice enjoys a privileged status and an excellent reputation and with this comes a responsibility to maintain the very highest standards.

All income generation activities are undertaken within charity law, Charity Commission regulations, HMRC rules, the Gambling Act, local licensing laws, Advertising Standards Authority rules, data protection laws and other relevant laws and regulations.

We continue to be registered with the Fundraising Regulator and are fully compliant with the Fundraising Code of Practice. We comply with all legislative requirements, but also strive to adopt best practice in all that we do.

As part of our fundraising efforts, we may work with commercial businesses, where as part of the activity we may promote and advertise their products in return for a donation or agreed share of profits. When we do so, we enter into a commercial participation agreement setting out specifics to protect our reputation and ensure compliance with relevant legislation.

St. Leonard's has an effective, open and accessible complaints policy, details of which can be found in our reception, within our shops, and on our website. We received no reportable complaints (2024: none) relating to fundraising practices in the year ending 31 March 2025.

**External fundraisers**

We use the service of one external provider to fundraise on our behalf: Starvale Management and Technologies Ltd (Company No: 03723339), who manage and promote the St. Leonard's Hospice Lottery. Plans for recruiting players to the St. Leonard's Hospice Lottery are discussed in advance in consultation with Starvale to ensure compliance and best practice.

Starvale is licensed and regulated by the Gambling Commission; all Starvale representatives receive Gambling Commission training (inclusive of vulnerable persons training) and are trained in and adhere to the Fundraising Regulators Rule Book for Face-to-Face Fundraising. Starvale is audited annually on the Gambling Commission subset of ISO27001:2022. The audit report is available on request.

There were no reportable complaints (2024: no complaints) relating to the activity undertaken by Starvale on behalf of the Hospice. In the year ending 31 March 2025, 48% (2024: 49%) of the proceeds from weekly draws and seasonal super draws were used to fund the work of the Hospice.



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## Environmental, Social & Governance (ESG)

ESG standards are increasingly used by organisations to quantify their good governance and impact on society and the environment, and the Hospice is working to build an ESG framework to ensure such considerations become a more formal part of decision making.

Trustees are satisfied that its leaders are accountable and governance is transparent, as detailed in the section on page 10 below. The positive impact on society is outlined on page 2 above, but the development of an ESG framework will also help us to articulate the equity of our treatment of staff and patients.

The Hospice is committed to reducing its environmental impact and continues to develop its environmental strategy. This includes the continued focus on the sustainability of the Hospice and the tracking of its carbon footprint, with the ultimate aim of a net zero impact via the Environmental Sustainability working group. The Hospice continues to reduce its energy consumption through solar panels and its environmental impact through a high profile recycling programme, a focus on overall waste reduction and a Cycle to Work scheme.

## Reference and administrative details

| | |
|---|---|
| Charity Number: | 509294 |
| Company Number: | 01451533 |
| Registered Office: | 185 Tadcaster Road, York, YO24 1GL |

## Our advisors

| | | |
|---|---|---|
| Auditor | BHP LLP | Rievaulx House, 1 St. Mary's Court, York, YO24 1AH |
| Bankers | National Westminster Bank | 1 Market Street, York, YO1 8SR |
| Solicitors | Chadwick Lawrence LLP | 8-16 Dock Street, Leeds, LS10 1LX |
| | Lupton Fawcett | Stamford House, Piccadilly, York, YO1 9PP |
| Investment Managers | Sarasin & Partners LLP | Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU |
| | Ruffer LLP | 80 Victoria Street, London, SW1E 5JL |
| | CCLA | Senator House, 85 Queen Victoria Street, London, EC4V 4ET |



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### Key management personnel: St Leonard's Hospice York

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees and officers serving during the year and since the year end were as follows:

| | | |
|---|---|---|
| Trustees and directors: | David Dickson | (Chair) (Resigned 16th December 2024) |
| | David Smith | (Chair) (Appointed 16th December 2024) |
| | Sandra Falcus | |
| | Prof Kate Flemming | |
| | Khushbu Goulden | (Resigned, 2nd May 2025) |
| | Juliette Healey | |
| | Prof Mike Holmes | |
| | Eamonn Keogh | |
| | Jacqueline Myers | |
| | Dr Lavinia Norton | |
| | Tony Taylor | |
| | Melanie Kay | |
| | Kate O' Connell | |
| | Lorna Allan | |
| | Shaun Parker | (Appointed June 2024) |
| Company Secretary: | David Jones | (Resigned 20th June 2025) |
| Executive Team: | Emma Johnson | (Chief Executive) |
| | Ingrid Jenner | (Director of People) |
| | David Jones | (Director of Finance & Corporate Services, resigned 20th June 2025) |
| | Dr Bill Hulme | (Medical Director) |
| | James Wainwright | (Director of Income Generation, appointed 1st April 2025) |
| | Anne-Marie Roberts | (Director of Clinical Services) |

### Key management personnel: St. Leonard's Hospice Enterprises Limited (dormant)

| | | |
|---|---|---|
| Directors: | Juliette Healey | (Chair) |
| | David Dickson | (Resigned 16th December 2024) |
| | Tony Taylor | |
| Company Secretary: | David Jones | (Resigned 20th June 2025) |

### Structure, governance and management

### Governing document

St. Leonard's Hospice York is a company limited by guarantee governed by its Articles of Association, which were last amended by Special Resolution on 29 October 2019.



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## Appointment of Trustees

The Hospice has a robust and transparent process for the recruitment of Trustees and uses a skills matrix to ensure that the Board can draw on a diverse range of skills, expertise, experience and backgrounds and that the Board is as representative of the community we serve as possible.

Recruitment to the Board is a two-stage process. Firstly, we invite members of the public who are prepared to act as a voluntary trustee to express an interest and undertake our selection process. Successful applicants are recorded on our Register of Potential Future Trustees.
Secondly, the Board identifies a vacancy and invites an individual on the Register of Potential Future Trustees to fill the vacancy. It is usual for potential future trustees to serve as a co-opted member of one of the sub-committees of the Board before becoming a trustee.

Full information about the recruitment process for Trustees including our Recruitment and Appointment of Trustees policy is published on our website www.stleonardshospice.org.uk. Trustees are, if appropriate, re-appointed by the Board at the end of each three-year term and Trustees must retire after serving for 12 consecutive years. The maximum term of service exceeds the 9 years recommended by the Charity Governance Code. However, the Board of Trustees has agreed that a longer maximum term of service is more appropriate for a local service delivery charity such as St. Leonard's, enabling it to achieve the optimum balance of skills and experience on the Board. This position is reviewed by the Membership Committee.

## Trustee induction and training

St. Leonard's operates an induction process for new Trustees to prepare them for their role. Trustees participate in in-house training programmes and attend external courses as necessary. They also attend meetings and conferences with their counterparts from other UK hospices and charities.

## Organisation and governance

The Board of Trustees administers the charity. The Board normally meets quarterly and in addition holds an annual Strategy Day. Sub-committees (Finance & Investment, Governance, Membership, People & Culture, Income Generation and Service Development) meet between 2 and 6 times a year. Sub-committees are made up of Trustees with the appropriate knowledge and experience, along with outside advisors either paid or voluntary where the committee deems it necessary.

The Board reviews its performance annually through a confidential board consultation and review exercise conducted by a trustee member of the Membership Committee. An external Governance review was undertaken in March/April 2025.

The Board of Trustees is committed to compliance with the principles and recommended practice of the Charity Governance Code, supported by the benchmarking of Hospice policies, practices and procedures against the Code.

The Chief Executive and executive team are appointed by the Trustees to manage the day- to-day operations of the charity. To facilitate effective operations the Chief Executive and the



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executive team under the direction of the Chief Executive have delegated authority for operational matters under the scheme of delegation.

**Related parties and co-operation with other organisations**

None of the Trustees receive remuneration or any other benefits from their work with the charity.

Any connection between a Trustee, co-opted committee member or member of the executive team, and a supplier, funder, supporter, organisation working collaboratively with, or beneficiary of the charity must be disclosed to the Board of Trustees in the same way as any other contractual relationship with a related party.

St. Leonard's works collaboratively with a number of organisations including other local hospices and local healthcare providers. In doing so, our aim is to improve palliative and end of life care for local people.

The Hospice is also represented on:

- Member of Hospice UK
- Hospice UK Advisory Council
- Regional Executive and Clinical Leads in Hospice and Palliative Care (ECLiHP)
- NHS Humber and North Yorkshire All Age Strategic Palliative and End of Life Care Board
- Forum of Yorkshire Hospice Chairs
- NHS North Yorkshire and York Partnership End of Life Group
- York Health and Care Partnership Executive Committee

**Pay policy for senior staff**

The pay of the Chief Executive and Executive Team is reviewed annually by the Board of Trustees in line with the wider organisation. During the year, in light of recruitment challenges arising from sector-wide staff shortages, a pay increase was applied to all staff that aimed to match the NHS Pay Award.

**Risk management**

The Trustees have identified resources and established review systems to manage organisational risk.

The Governance committee of the Board receives regular reports covering the management of clinical, health & safety, information and other risks, along with notification of any matters reported to any regulatory authority. Financial risks are reported via the Finance & Investment Committee.

The Hospice operates a controlled environment to ensure compliance with legislation, regulations and best practice, principally that which is outlined in Charity Commission guidance and Care Quality Commission regulation. Controls are outlined in a full suite of policies and procedures, which are reviewed regularly by policy leads.

The Trustees maintain a register of the risks faced by the charity. The risk register is continually reviewed by the Executive Team, the Governance Committee and Finance & Investment Committee on a quarterly basis and by the board on an annual basis. The risk register records



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the risks that may arise in each area of the charity's operation, along with the policies, systems and procedures in place to mitigate them.

Risks are identified, assessed, and scored according to their likelihood and impact. Appropriate steps are then taken to mitigate them in day-to-day operations. A robust control environment has been developed and internal controls are reviewed annually by trustees in line with Charity Commission guidance (CC8).

The principal challenges and uncertainties faced by the Hospice at the time of writing are as follows:

- Inadequate IT support provided by York Teaching Hospitals NHS Trust leading to risk of cyber attack/network failure.
- Financial and operational risk of moving to an external managed service provider to improve IT support and security.
- Achieving sustainable funding for the future from statutory sources as opposed to the current significant reliance on voluntary income

**Trustees' responsibilities in relation to the financial statements**

The charity Trustees (who are also Directors of St. Leonard's Hospice York for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare annual financial statements that give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and 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 financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom



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governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement as to disclosure to our auditors**

In so far as the Trustees are aware at the time of approving the annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and

- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps required as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**

BHP LLP have indicated their willingness to stand for reappointment at the annual general meeting.

The Trustees' Report, which includes the Strategic Report, was approved by the Board of Trustees and signed on its behalf by:

**David Smith**
**Chair of Trustees**

....
Signer ID: MADR1AVKVB...



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# St. Leonard's Hospice York

**Independent Auditor's Report to the Trustees of St Leonard's Hospice York for the year ending 31 March 2025**

## Opinion

We have audited the financial statements of St Leonard's Hospice York (the "parent charitable company") and its subsidiary (the "group") for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2025, 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other information

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



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Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and charitable company 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 the Trustees**
As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent charitable 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 and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or charitable company or to cease operations, or have no realistic alternative but to do so.



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**Auditor responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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 parent charitable company through discussions with directors and other management, and from our commercial knowledge and experiences of the charity's sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, taxation legislation and data protection, employment, health and safety legislation (including CQC documentation) and requirements of the Gambling Commission;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence throughout;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

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

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

- Performed analytical procedures to identify any unusual or unexpected variances.
- Tested journal entries to identify unusual transactions.
- Assessed whether judgments and assumptions made in determining the accounting estimates set out in note 1e were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.



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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

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.

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.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit. This description forms part of our auditor's report.

**Use of our report**

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

Laura Masheder

Signer ID: CRZCVPKXXZ...

09/10/2025 GMT

Laura Masheder (Senior statutory auditor) Date…….

For and on behalf of

**BHP LLP**

Chartered Accountants
Statutory Auditors
Rievaulx House,
1 St Mary's Court,
Blossom Street,
York, YO24 1AH



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# St. Leonard's Hospice York

## Consolidated Statement of Financial Activities for the year ending 31 March 2025

| | Notes | Unrestricted Funds £k | Restricted Funds £k | Total Funds 2025 £k | Total Funds 2024 £k |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | **4** | 2,848 | 450 | 3,298 | 3,813 |
| *Income from charitable activities:* | | | | | |
| Grants and contract income | **5** | 2,020 | 509 | 2,529 | 2,261 |
| *Income from other trading activities:* | | | | | |
| Shops | **6** | 2,861 | - | 2,861 | 2,700 |
| Lottery | **7** | 398 | - | 398 | 394 |
| Fundraising and other activities | **8** | 600 | - | 600 | 450 |
| Investment Income | **9** | 642 | - | 642 | 587 |
| **Total income** | | **9,369** | **959** | **10,328** | **10,205** |
| **Expenditure on:** | | | | | |
| *Costs of raising funds:* | | | | | |
| Donations and legacies | **11** | 687 | - | 687 | 836 |
| Shops | **6** | 2,710 | - | 2,710 | 2,302 |
| Lottery | **7** | 201 | - | 201 | 198 |
| Fundraising and other activities | **8** | 261 | - | 261 | 198 |
| Investment Management Costs | **11** | 103 | - | 103 | 101 |
| *Expenditure on charitable activities:* | | | | | |
| In-patient Care | **11** | 4,627 | 268 | 4,895 | 4,588 |
| Hospice@Home | **11** | 782 | 719 | 1,501 | 1,409 |
| Sunflower Wellbeing Hub | **11** | 10 | - | 10 | 119 |
| Bereavement and Family Support | **11** | 113 | - | 113 | 181 |
| **Total expenditure** | **11** | **9,494** | **987** | **10,481** | **9,932** |
| **Net income/ (expenditure) before other recognised gains/ (losses)** | | **(125)** | **(28)** | **(153)** | **273** |
| Transfers | **10** | 152 | (152) | - | - |
| Realised and unrealised gains/(losses)on investments | **18** | 204 | - | 204 | 866 |
| **Net income/ (expenditure) and net movement in funds** | | **231** | **(180)** | **51** | **1,139** |
| Total funds brought forward | | 24,918 | 704 | 25,622 | 24,483 |
| **Total funds carried forward** | **23** | **25,149** | **524** | **25,673** | **25,622** |

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

A fully detailed comparative Statement of Financial Activities for the year ending 31 March 2024 is shown at note 29.



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# St. Leonard's Hospice York

**Balance Sheets as at 31 March 2025**

| | Notes | Charity 2025 £k | Charity 2024 £k | Group 2025 £k | Group 2024 £k |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | **17** | 4,919 | 4,402 | 4,919 | 4,402 |
| Investments | **18** | 17,835 | 17,996 | 17,835 | 17,996 |
| Investment properties | **18** | 135 | 135 | 135 | 135 |
| **Total fixed assets** | | 22,889 | 22,533 | 22,889 | 22,533 |
| **Current assets** | | | | | |
| Stock | **19** | 7 | 13 | 7 | 13 |
| Debtors | **20** | 2,190 | 3,065 | 2,190 | 3,065 |
| Cash at bank and in hand | | 1,108 | 515 | 1,108 | 515 |
| **Total current assets** | | 3,305 | 3,593 | 3,305 | 3,593 |
| **Liabilities** | | | | | |
| Creditors falling due within one year | **21** | (521) | (504) | (521) | (504) |
| **Net current assets** | | 2,784 | 3,089 | 2,784 | 3,089 |
| **Net assets** | **23** | **25,673** | **25,622** | **25,673** | **25,622** |
| **The funds of the charity** | **10** | | | | |
| **Unrestricted Funds:** | | | | | |
| Unrestricted general funds | | 9,230 | 9,516 | 9,230 | 9,516 |
| Unrestricted designated funds | | 15,919 | 15,402 | 15,919 | 15,402 |
| Non-charitable trading funds | | - | - | - | - |
| | | 25,149 | 24,918 | 25,149 | 24,918 |
| **Restricted income funds** | | 524 | 704 | 524 | 704 |
| **Total charity funds** | **23** | **25,673** | **25,622** | **25,673** | **25,622** |

The notes on pages 22 - 44 form part of these financial statements.

The financial statements were approved by the Board on 07/10/2025 GMT ……2025 and signed on its behalf by:

Signer ID: MADR1AVKVB...
David Smith
**Chair of Trustees**

Juliette Healey
Signer ID: 6N8DAT36XL...
Juliette Healey
**Trustee**

**Company registration number: 01451533**



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# St. Leonard's Hospice York

## Consolidated Statement of Cash Flows for the year ending 31 March 2025

| | Notes | 2025 £k | 2024 £k |
|---|---|---|---|
| **Net cash provided/(used in) by operating activities** | **28** | **429** | **(369)** |
| **Cash flows from investing activities:** | | | |
| Dividends, interest and rent from investments | | 642 | 497 |
| Purchase of property, plant and equipment | | (804) | (170) |
| Proceeds from the sale of property, plant and equipment | | 60 | - |
| Payments to acquire investments | | (3,434) | (1,546) |
| Proceeds from the disposal of investments | | 3,700 | 1,300 |
| **Net cash provided by financing activities** | | **164** | **81** |
| **Change in cash and cash equivalents in the year** | | **593** | **(288)** |
| Cash and cash equivalents at the start of the year | | 515 | 803 |
| **Total cash and cash equivalents at the end of the year** | | **1,108** | **515** |
| **Analysis of cash and cash equivalents** | | | |
| Cash at bank and in hand | **28** | 1,108 | 515 |
| | | **1,108** | **515** |



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# St. Leonard's Hospice York

## Notes to the Financial Statements for the year ending 31 March 2025

1. **Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) **Company information**

St. Leonard's Hospice York is a company limited by guarantee, governed by its Articles of Association that were last amended by special resolution on 29 October 2019, and a charity registered in England and Wales. The registered office is 185 Tadcaster Road, York, YO24 1GL.

(b) **Accounting convention**

The financial statements have been prepared on a going concern basis 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 (FRS 102) (effective 1 January 2019) (Charities SORP(FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

St. Leonard's Hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts, the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS 102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

(c) **Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and not less than one year from the date of approval. The Trustees are constantly monitoring the financial position of the charity, in particular with regard to the potential changes to funding following the abolition of the government's Clinical Commissioning Groups and the impact on donations of the ongoing cost-of-living crisis. The charity has no borrowings and receives substantial funding from government grants and contracts, of which significant amounts have already been secured for the 2024/25 financial year; its level of reserves give assurance that it can withstand the short-term fluctuations in income that might arise from this uncertainty, although the situation is under continual review. The decision was made to discontinue the activities of the subsidiary company, St. Leonard's Hospice Enterprises, as of 1st April 2023, and the company remained dormant throughout this year.

(d) **Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary, St. Leonard's Hospice Enterprises Ltd, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity have not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The charity's results for the year are disclosed in note 3.



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(e) **Income**

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably and where the Hospice is not aware of any potential challenge to the estate. Where a legacy is impending but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material (see note 22).

Income received in advance of fundraising events is deferred until the event has taken place and the criteria for income recognition are met.

(f) **Donated goods, services and facilities**

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

In accordance with Charities SORP (FRS 102), the value of volunteer time is not recognised in the financial statements. The Trustees' Annual Report from page 2 contains more information on volunteers.

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

Income from goods donated for sale in the charity's shops is recognised at point of sale. As a result of the high volume of low value donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

(g) **Investment income**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of interest paid or payable.

Rents from investment properties are included when they are receivable by the charity.

Dividend income from investment funds is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of dividends paid or payable.

(h) **Fund accounting**

Unrestricted general funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations or other income that the donor or funder has specified are to be used for particular areas of the charity's work. Unrestricted designated funds have been set aside for fixed assets, capital projects including the redevelopment of the main hospice site into an energy-and space- efficient building adapted to the changing needs of patients, as well as the expansion of our retail estate in order to reduce our dependency on variable legacy income.



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(i) **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprise the costs of raising funds from voluntary income and through fundraising activities including events, charity shops and lotteries and their associated support costs.
- Expenditure on charitable activities includes the cost of caring for patients either as in-patients or out-patients at the Hospice or in their own homes through the Hospice@Home service, bereavement and family support and educational activities undertaken to further the purposes of the charity and their associated support costs.
- Investment management costs reflect the cost of managing the Hospice's investment portfolio.
- Other expenditure represents those items not falling under any other heading.

The Hospice is able to reclaim most of the VAT it incurs. A small amount of irrecoverable VAT is included in support costs.

(j) **Allocation of support and governance costs**

Support costs relate to those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration, finance, human resources, information systems and governance costs that support the services providing care to patients and families.

Governance costs are those that are essential to ensure the effective running of the charity (e.g. audit fees).

Support and Governance costs have been allocated in proportion to the costs incurred directly within each element of the Costs of raising funds and Expenditure on charitable activities as set out in note 11.

(k) **Operating leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

(l) **Pensions**

The charity operates a number of pension arrangements for the benefit of employees, which include both defined benefit and defined contribution schemes. The assets of the schemes are held separately from those of the charity and are invested in either the NHS Pension Scheme, the defined contribution Legal & General Workplace Pension Scheme or the personal pension schemes of certain employees, all of which are run independently of the Hospice. The charge to the Statement of Financial Activities represents the contributions payable by the charity to the schemes during the year.

The defined benefit NHS scheme is an unfunded scheme backed by the exchequer. Employers cannot identify their share of the assets and liabilities. In accordance with FRS 102 the scheme has been accounted for as if it were a defined contribution scheme and contributions are recognised as an expense.

(m) **Staff costs**

The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.



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(n) **Investments**

Investments (other than investments in subsidiaries) are stated at market value at the balance sheet date.

The investment portfolio (see note 18) is held to generate returns and gains for the charity and accordingly is designated as fair value through profit and loss ("FVTPL"). The portfolio is revalued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the Statement of Financial Activities.

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured using the fair value model and are stated at their fair value as estimated by qualified third parties at the reporting date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities. Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

(o) **Tangible fixed assets**

Individual fixed assets costing more than £2,500 are capitalised and included at cost and are depreciated over their estimated useful economic lives in annual instalments, with a full year's charge in the acquisition year and no charge in the year of disposal as follows:

| | |
|---|---|
| Freehold property | 2% Straight Line Basis |
| Leasehold property | Over the period of the lease |
| Retail point of sale system | 20% Straight Line Basis |
| Plant | 5% to10% Straight Line Basis |
| Medical equipment | 10% to 20% Straight Line Basis |
| Furniture, fittings and equipment | 10% to 20% Straight Line Basis |
| Motor vehicles | 20% Straight Line Basis |

Buildings are regularly reviewed for indications of impairment. Where there is an impairment, the difference between the assessed recoverable value of the building and its written down cost is charged to the Statement of Financial Activities.

Freehold land is not depreciated.

Fixed Assets and depreciation charges are treated as designated funds.

(p) **Stock**

Stock of new bought-in goods is valued at the lower of cost and net realisable value.

It is impractical to estimate the fair value of goods donated for sale in the charity's shops due to the high volume and low value of such transactions, and so these are not included on the balance sheet. The value of these goods to the charity is instead recognised when they are sold.

(q) **Financial instruments**

The provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 are applied to all financial instruments.

(r) **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity held for working capital.



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(s) **Debtors and other assets**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the Statement of Financial Activities.

(t) **Creditors, loans and provisions**

Creditors, loans and provisions are recognised where there is 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 estimated reliably. Creditors, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial liabilities are only derecognised when, and only when, obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.



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(u) **Critical accounting estimates and judgements**

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

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

**Critical estimates**

**Depreciation of tangible assets**

Depreciation policies have been set according to experience of the useful lives of the assets in each category and are reviewed annually.

Expenditure is incurred on creating tangible fixed assets for use in the charity, with costs incurred over a number of months. The Trustees believe it is possible to segregate these costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

**Designated Reserves**

Having determined the need to designate funds for specific future needs as detailed in the Reserves policy, best estimates of future cashflows are used to quantify the amounts for designation.

**Legacies**

Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and sufficient information is available to allow the measure of entitlement, and it is probable that funds are receivable.

**2. Legal status of the charity**

St. Leonard's Hospice York 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 £1 per member (the charity's trustees are also its members).



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### 3. Financial performance of the charity

The charity's wholly owned subsidiary was dormant in the year but its results for the prior year are included in the consolidated Statement of Financial Activities.

The summary financial performance of the charity alone is:

| | 2025 | 2024 |
|---|---|---|
| | £k | £k |
| Income | 10,328 | 10,205 |
| Gift Aid from subsidiary company | - | 15 |
| | 10,328 | 10,220 |
| Expenditure | (10,481) | (9,932) |
| **Net income/expenditure** | **(153)** | **288** |
| Investment gains | 204 | 866 |
| Total funds brought forward | 25,622 | 24,468 |
| **Total funds carried forward** | **25,673** | **25,622** |
| Represented by: | | |
| Unrestricted income funds | 9,230 | 9,516 |
| Unrestricted designated funds | 15,919 | 15,402 |
| Restricted income funds | 524 | 704 |
| | **25,673** | **25,622** |

### 4. Income from donations and legacies

| | 2025 | 2024 |
|---|---|---|
| | £k | £k |
| Donations | 1,334 | 901 |
| Legacies | 1,964 | 2,912 |
| | **3,298** | **3,813** |

The Hospice benefits greatly from the involvement of its many volunteers, details of which are given in the Trustees' Annual Report. In accordance with FRS 102, the economic contribution of volunteers is not recognised in the financial statements.



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## 5. Income from charitable activities

| | 2025 | 2024 |
|---|---|---|
| | £k | £k |
| ***Grants and contract income from:*** | | |
| *Integrated Care Boards:* | | |
| Inpatient and day services | 1,640 | 1,593 |
| Hospice@Home | 357 | 347 |
| | 1,997 | 1,940 |
| ***Other funding:*** | | |
| NHS Pension contributions paid directly by NHS England | 168 | 115 |
| Carer Support Service | 185 | 180 |
| Pharmacy Services | 27 | 26 |
| Hospice UK Capital Funding | 152 | - |
| | 532 | 321 |
| **Total income from charitable activities** | **2,529** | **2,261** |

Included within the restricted funds is contract income of £357k (2024: £347k) from NHS Humber & North Yorkshire ICB through the Better Care Fund to fund the extended Hospice@Home service.

A 6.3% increase in NHS Pension Scheme employer contributions effective from 1 April 2019 was funded centrally by NHS England and is reflected in both income and expenditure on staff costs in these accounts. The cost of the increase was £168k (2024: £115k).

The ICB commissioned a new Carer Support Service during the previous year to provide valuable breaks and respite for the carers and family of those requiring palliative end-of-life care. Funding increased to £185k (2024: £180k) since this is the second full year of funding.

Hospice UK Capital Funding relates to funding provided for investment in capital fixed assets.

## 6. Income and expenditure from other trading activities - shops

| | 2025 | 2024 |
|---|---|---|
| | £k | £k |
| Income from the sale of donated goods including Gift Aid | 2,793 | 2,651 |
| Income from the sale of bought in goods | 68 | 49 |
| **Total income from shops** | **2,861** | **2,700** |
| | | |
| Staff costs | (1,411) | (1,260) |
| Other costs | (1,299) | (1,042) |
| **Total expenditure on shops** | **(2,710)** | **(2,302)** |
| | | |
| **Net profit arising from shops** | **151** | **398** |

During the year the charity invested significantly in refreshing the retail offer, which is inline with our strategy. This included the purchase of the store in Haxby, which is included in fixed asset additions, and a further refresh of several of our other stores. Other costs therefore include certain legal costs and refresh costs which total £103,585. This should be considered an exceptional cost when considering the overall contribution of retail and the underlying surplus it generates.



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The wholly owned trading subsidiary St. Leonard's Hospice Enterprises Ltd is incorporated in England and Wales (company number 02589172). It ceased activity on 1st April 2023 and is now dormant but previously sold bought-in goods and donated all its profits to the charity under the gift aid scheme.

The summary financial performance of the subsidiary alone is:

| | 2025 | 2024 |
|---|---|---|
| | £k | £k |
| Trading Income | - | - |
| Cost of sales and administration costs | - | - |
| Net profit | - | - |
| Amount gift aided to the charity | - | (15) |
| Retained in subsidiary | - | - |

The assets and liabilities of the subsidiary were:

| | 2025 | 2024 |
|---|---|---|
| | £k | £k |
| Current assets | - | - |
| Current liabilities | - | - |
| Capital Loan | - | - |
| Total net assets | - | - |
| Aggregate share capital and reserves | - | - |

After the subsidiary ceased trading in the year to 31 March 2024 a donation of £15k was made to the parent charitable company in order to settle the balances between the charity and the subsidiary. The subsidiary has since remained dormant.

**7. Income and expenditure from other trading activities – lottery**

| | 2025 | 2024 |
|---|---|---|
| | £k | £k |
| Income from lottery sales | 398 | 394 |
| Prizes | (42) | (40) |
| Other lottery costs | (159) | (158) |
| | (201) | (198) |
| **Total lottery profits** | **197** | **196** |



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### 8. Income and expenditure from other trading activities - fundraising and other activities

| | 2025 | 2024 |
|---|---|---|
| | £k | £k |
| Fundraising events and activities | 506 | 381 |
| Provision of placements/training courses | 47 | 23 |
| Room hire | - | 3 |
| Catering for staff and visitors | 19 | 22 |
| Industrial injury claims for treating patients with mesothelioma | 14 | 10 |
| Generating electricity | 7 | 3 |
| Sponsorship income | 1 | 5 |
| Miscellaneous income | 6 | 3 |
| Total income from fundraising activities | 600 | 450 |
| Cost of fundraising events and activities | (261) | (198) |
| **Surplus on fundraising events and other activities** | **339** | **252** |

Sponsorship income generated by fundraising activities is accounted for as donations.

### 9. Investment Income

The charity received investment income from the following sources during the year:

| | 2025 | 2024 |
|---|---|---|
| | £k | £k |
| Dividends | 463 | 417 |
| Rents from investment properties | 8 | 7 |
| Interest on cash deposits | 171 | 163 |
| | 642 | 587 |



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**10. Funds**

| Year ended 31 March 2025 | Movement in Funds | | | | |
|---|---|---|---|---|---|
| | 01-Apr 2024 | Income | Expenditure* | Designation/ Transfer | 31-Mar 2025 |
| | £k | £k | £k | £k | £k |
| **Unrestricted Funds** | 9,516 | 9,369 | (9,061) | (594) | 9,230 |
| **Designated Funds** | | | | | |
| Fixed Assets fund | 4,402 | - | (229) | 746 | 4,919 |
| Building Redevelopment fund | 4,000 | - | - | - | 4,000 |
| Service Continuity fund | 3,000 | - | - | - | 3,000 |
| Deficit Mitigation fund | 2,000 | - | - | - | 2,000 |
| Retail Development fund | 1,500 | - | - | - | 1,500 |
| Digital Transformation fund | 500 | - | - | - | 500 |
| **Designated funds** | 15,402 | - | (229) | 746 | 15,919 |
| | **24,918** | **9,369** | **(9,290)** | **152** | **25,149** |

*Expenditure is shown net of investment gains of £204k.

The revaluation reserve is included within unrestricted funds and totalled £5,519k (2024: £5,444k), including £119k (2024: £119k) relating to investment properties.

The Fixed Asset fund represents assets in use by the Hospice that cannot be used for other purposes.

The Building Redevelopment fund has been identified to modernise the main Hospice site for patients and to improve its efficiency and environmental credentials; this was revised downwards during the prior year in line with updated architects' estimates.

The Service Continuity fund is fund introduced in 2024 solely to reflect the costs that would be incurred in the highly unlikely event that any hospice services needed to be wound down. The funds are earmarked as an accounting discipline and in no way reflect any intention.

The ongoing financial ambition for the Hospice is sustainability and to eradicate operational deficits, and we plan to achieve this in the medium-term. The Deficit Mitigation fund has been set up to cover short-term deficits identified in the interim forecasts.

The Retail Development fund will enable the expansion of our retail estate in order to reduce our dependency on variable legacy income.

The Digital Transformation fund is intended to cover the costs of modernising the Hospice's IT service and related systems to enable staff to work more effectively for the benefit of patients.



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| Restricted Funds | | Movement in Funds | | | |
|---|---|---|---|---|---|
| **Year ended 31 March 2025** | **Balance 01-Apr-24** | **Income** | **Expenditure** | **Transfer** | **Balance 31-Mar-25** |
| | **£k** | **£k** | **£k** | **£k** | **£k** |
| Hospice@Home service | 509 | 424 | (712) | - | 221 |
| Hospice@Home vehicle | 19 | - | (6) | - | 13 |
| Equipment Funds | 42 | 52 | (10) | - | 84 |
| Carer Support Service | 113 | 185 | (119) | - | 179 |
| Pharmacy Services | - | 27 | (24) | - | 3 |
| Drugs and oxygen | - | 114 | (114) | - | - |
| Hospice UK Capital Funding | - | 152 | - | (152) | - |
| Sundry other funds | 21 | 5 | (2) | - | 24 |
| | **704** | **959** | **(987)** | **(152)** | **524** |

Where a donor specifies that a donation is to fund a particular service e.g. the Hospice@Home service, the funds are restricted and applied to cover the cost of that service.

Opening funds for the Hospice@Home service include the remaining balance of an exceptional £1m donation in 2022, and these funds continue to be used in 2025 to expand the scope and reach of the service over a planned 3-year period. In addition, £357k (2024: £347k) of contract income was received from the Better Care Fund through Humber & North Yorks ICB to fund the Hospice@Home service.

The Personalised Care Project relates to funds received from the Humber & North Yorks Integrated Care Board (ICB) for the purpose of providing a more tailored domiciliary care service to patients and families.

The Hospice@Home vehicle was funded by a donation in 2022 and is used to visit patients at the outer reaches of our communities; expenditure against this fund represents depreciation of the vehicle.

Equipment Funds were boosted by the exceptional efforts of the family of one patient – Dominic Ryan – to raise money for the purchase of a "cuddle bed". This bed allows families of patients to be closer to their loved ones receiving care, providing an important part of home life in the Hospice.

The ICB commissioned a new Carer Support Service during 2023, and the prior year was the first full year of funding. This service provides valuable breaks and respite for the carers and family of those requiring palliative end-of-life care.

The ICB funds the cost of drugs and other pharmaceutical services provided to Hospice patients by York Hospitals NHS Foundation Trust under the arrangements outlined in the Department of Health Executive Letter 94; these totalled £114k (2024: £99k) during the year. It also continued fund the cost of pharmacy services, totalling £27k (2024: £26k) during the year.

Hospice UK Capital Funding relates to funding provided for investment in capital fixed assets. These funds were spent on fixed asset additions in the year and there is no ongoing restriction, accordingly a funds transfer of £152k has been made into unrestricted funds.

Sundry other funds chiefly include small balances for the funding of ACP staff and workforce development; the expenditure during the year was due to the conclusion of the homelessness project, which enabled the return of funds to funders.



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The funds in the prior year are as below for comparison:

| Year ended 31 March 2024 | Movement in Funds | | | | |
|---|---|---|---|---|---|
| | 01-Apr 2023 | Income | Expenditure* | Designation | 31-Mar 2024 |
| | £k | £k | £k | £k | £k |
| **Unrestricted Funds** | 10,155 | 9,493 | (8,132) | (2,000) | 9,516 |
| **Designated Funds** | | | | | |
| Fixed Assets Fund | 4,484 | - | (82) | - | 4,402 |
| Building redevelopment fund | 7,000 | - | - | (3,000) | 4,000 |
| Service Continuity fund | - | - | - | 3,000 | 3,000 |
| Deficit mitigation fund | - | - | - | 2,000 | 2,000 |
| Retail development fund | 1,500 | - | - | - | 1,500 |
| Digital transformation fund | 500 | - | - | - | 500 |
| **Designated funds** | 13,484 | - | (82) | 2,000 | 15,402 |
| | **23,639** | **9,493** | **(8,214)** | **-** | **24,918** |

*Expenditure is shown net of investment gains of £866k.

| Restricted Funds<br>Year ended 31 March 2024 | Movement in Funds | | | |
|---|---|---|---|---|
| | 01-Apr 2023 | Income | Expenditure | 31-Mar 2024 |
| | £k | £k | £k | £k |
| Hospice@Home service | 685 | 363 | (539) | 509 |
| Personalised Care Project | 37 | - | (37) | - |
| Hospice@Home vehicle | 25 | - | (6) | 19 |
| Equipment Funds | 12 | 43 | (13) | 42 |
| Carer Support Services | 53 | 180 | (120) | 113 |
| Pharmacy Services | - | 26 | (26) | - |
| Drugs and oxygen | - | 99 | (99) | - |
| Sundry other funds | 32 | 1 | (12) | 21 |
| | 844 | 712 | (852) | 704 |



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## 11. Analysis of expenditure including governance and support costs

| For the year ended 31 March 2025 | Direct Costs | Support Costs | Governance Costs | Total 2025 |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| ***Costs of raising funds:*** | | | | |
| Donations and legacies | 568 | 118 | 1 | 687 |
| Shops | 2,237 | 467 | 6 | 2,710 |
| Lottery | 201 | - | - | 201 |
| Fundraising and other activities | 216 | 45 | - | 261 |
| | 3,222 | 630 | 7 | 3,859 |
| *Investment management costs* | 103 | - | - | 103 |
| ***Expenditure on charitable activities:*** | | | | |
| In-patient care | 4,154 | 732 | 9 | 4,895 |
| Hospice@Home | 1,239 | 259 | 3 | 1,501 |
| Sunflower Wellbeing Hub | 8 | 2 | - | 10 |
| Bereavement and family support | 94 | 19 | - | 113 |
| | 5,495 | 1,012 | 12 | 6,519 |
| **Total expenditure** | **8,820** | **1,642** | **19** | **10,481** |

**Support Costs**

| | HR, Health and Safety and Volunteers | Finance and Information Systems | Administration | Total 2025 |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Donations and legacies | 50 | 36 | 32 | 118 |
| Shops | 197 | 141 | 129 | 467 |
| Fundraising activities | 19 | 14 | 12 | 45 |
| In-patient care | 309 | 221 | 202 | 732 |
| Hospice@Home | 109 | 78 | 72 | 259 |
| Sunflower Wellbeing Hub | 1 | 1 | - | 2 |
| Bereavement and family support | 8 | 6 | 5 | 19 |
| | **693** | **497** | **452** | **1,642** |

Investment Management costs of £103k (2024: £101k) included £4k (2024: £6k) paid to investment consultants who advised on policy rather than managed funds.



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As a comparative, the expenditure for the prior year is shown below on the same basis:

| For the year ended 31 March 2024 | Direct Costs | Support Costs | Governance Costs | Total 2024 |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| *Costs of raising funds:* | | | | |
| Donations and legacies | 661 | 173 | 2 | 836 |
| Shops | 1,820 | 476 | 6 | 2,302 |
| Lottery | 198 | - | - | 198 |
| Fundraising and other activities | 157 | 41 | - | 198 |
| | 2,836 | 690 | 8 | 3,534 |
| *Investment management costs* | 101 | - | - | 101 |
| *Expenditure on charitable activities:* | | | | |
| In-patient care | 3,731 | 846 | 11 | 4,588 |
| Hospice@Home | 1,114 | 291 | 4 | 1,409 |
| Sunflower Wellbeing Hub | 94 | 25 | - | 119 |
| Bereavement and family support | 144 | 37 | - | 181 |
| | 5,083 | 1,199 | 15 | 6,297 |
| **Total expenditure** | **8,020** | **1,889** | **23** | **9,932** |

**Support Costs**

| | HR, Health and Safety and Volunteers | Finance and Information Systems | Administration | Total 2024 |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Donations and legacies | 81 | 39 | 53 | 173 |
| Shops | 224 | 108 | 144 | 476 |
| Fundraising activities | 19 | 9 | 13 | 41 |
| In-patient care | 398 | 191 | 257 | 846 |
| Hospice@Home | 137 | 66 | 88 | 291 |
| Sunflower Wellbeing Hub | 12 | 6 | 7 | 25 |
| Bereavement and family support | 18 | 8 | 11 | 37 |
| | 889 | 427 | 573 | 1,889 |



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## 12. Net income for the year

**This is stated after charging:**

| | 2025 | 2024 |
|---|---|---|
| | £k | £k |
| Depreciation of tangible fixed assets | 229 | 252 |
| Auditor's remuneration: | | |
| - Audit fees | 20 | 22 |
| - Non audit services | 5 | 2 |
| Operating lease rentals – land and buildings and equipment | 236 | 205 |
| Profit on disposal of fixed assets | (2) | - |

## 13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

| | 2025 | 2024 |
|---|---|---|
| | £k | £k |
| Wages and salaries | 6,422 | 6,265 |
| Social security costs | 602 | 572 |
| Pension costs | 824 | 742 |
| | 7,848 | 7,579 |

The number of employees who received employee benefits during the year in excess of £60,000, classified within bands of £10,000 is:

| | 2025 | 2024 |
|---|---|---|
| £60,001 - £70,000 | 2 | 1 |
| £70,001 - £80,000 | 3 | 3 |
| £80,001 - £90,000 | - | - |
| £90,001 - £100,000 | - | - |
| £100,000 - £110,000 | 1 | 1 |
| £110,000 - £120,000 | - | 1 |
| £130,000 - £140,000 | 1 | - |

The key management personnel of the charity and the group comprise the Trustees, the Chief Executive, Director of Clinical Services, Director of People, Medical Director and Director of Finance & Corporate Services (also included the role of Director of Income Generation in 2024). The total employee benefits of the key management personnel of the charity including on-costs were £588k (2024: £617k).

The charity Trustees were not paid and did not receive any employee benefits from the charity or its subsidiary in the year (2024: £nil). Expenses of £35 (2024: £83) were reimbursed to one trustee.

No charity Trustee received payment for professional or other services supplied to the charity (2024: £nil).

Staff costs included a termination payment of £Nil (2024: £18,005).



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**NHS Pension Scheme**
Eligible staff are able to remain in the NHS Pensions Scheme as if they were still in the employment of an employing authority. The NHS Pension Scheme is an unfunded occupational pension scheme backed by the Exchequer, which is open to all NHS employees and employees of approved organisations. The scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The scheme receives contributions from employers and employees to defray the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of benefits payable, and the basis for valuations under these provisions, can be found on the NHS Pensions website at www.nhsbsa.nhs/pensions.

In the year ended 31 March 2025, the charity made contributions to the NHS Pension Scheme totalling £430k (2024: £377k). Employer contributions were 20.68% and employee contributions were in the range of 5.1% to 13.5% of pensionable pay.

**Other Pension Schemes**
Other employees are entitled to join a defined contribution scheme. The contribution rates to the defined contribution scheme are 9% of pensionable pay for the employer and 5% of pensionable pay for the employees. The charity uses this scheme to meet the requirements of auto-enrolment legislation using the same contribution rates.

In the year ending 31 March 2025, the charity paid contributions to the schemes totalling £394k (2024: £365k).

## 14. Staff numbers

The average monthly head count and the average monthly number of full-time equivalent staff (including part-time workers) during the year were as follows:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | Head Count | Full Time Equivalent | Head Count | Full Time Equivalent |
| Charitable services | 94 | 74 | 99 | 83 |
| Clinical support services | 22 | 19 | 24 | 20 |
| Corporate support services | 30 | 26 | 36 | 30 |
| Income generation | 69 | 54 | 70 | 54 |
| | 215 | 173 | 229 | 187 |

## 15. Government grants

Income from government grants comprises grants from local Integrated Care Boards to support the provision of care. More information is shown in notes 5 and 6 of the financial statements.

## 16. Taxation

The Hospice is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Hospice is entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising and no tax charge arises on the charity.

The trading subsidiary is dormant but any activity would be liable to corporation tax on its chargeable profits. Current tax, including UK Corporation and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary are gift aided to the parent charitable company within 9 months of the year end, no corporation tax arises.



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## 17. Tangible fixed assets
### The Charity and the Group

| | Freehold Property £k | Leasehold Improvements £k | Retail Point of sale System £k | Plant £k | Fixtures Fittings & Equip £k | Medical Equip £k | Motor Vehicles £k | Totals £k |
|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | |
| At 1 April 2024 | 6,601 | 132 | 38 | 97 | 241 | 189 | 174 | 7,472 |
| Additions | 506 | 151 | - | - | 12 | 135 | - | 804 |
| Disposals | - | - | - | - | - | (58) | - | (58) |
| At 31 March 2025 | 7,107 | 283 | 38 | 97 | 253 | 266 | 174 | 8,218 |
| **Depreciation** | | | | | | | | |
| At 1 April 2024 | 2,523 | 35 | 38 | 47 | 162 | 110 | 155 | 3,070 |
| Charge for the year | 129 | 47 | - | 9 | 21 | 17 | 6 | 229 |
| On Disposals | - | - | - | - | - | - | - | - |
| At 31 March 2025 | 2,652 | 82 | 38 | 56 | 183 | 127 | 161 | 3,299 |
| **Net Book Values** | | | | | | | | |
| At 31 March 2025 | 4,455 | 201 | - | 41 | 70 | 139 | 13 | 4,919 |
| At 31 March 2024 | 4,078 | 97 | - | 50 | 79 | 79 | 19 | 4,402 |

Freehold property includes non-depreciable land with a book value of £469k (2024: £369k).

## 18. Fixed asset investments

| **Investments** | The Charity and the Group 2025 £k | 2024 £k |
|---|---|---|
| Market value at 1 April 2024 | 17,996 | 17,008 |
| Additions at cost | 3,434 | 1,546 |
| Disposal proceeds | (3,700) | (1,300) |
| | 17,730 | 17,254 |
| Realised and unrealised investment gains | 204 | 836 |
| Investment management costs | (99) | (94) |
| Charges within valuation | - | - |
| Market value at 31 March 2025 | 17,835 | 17,996 |

The historic cost of investments at 31 March 2025 was £12,316k (2024: £12,582k).



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**UK Investment Property**

| | 2025 | 2024 |
|---|---|---|
| | £k | £k |
| Market value at 1 April 2024 | 135 | 105 |
| Additions | - | - |
| Unrealised gain on revaluation | - | 30 |
| Market value at 31 March 2025 | 135 | 135 |

The property was revalued in February 2024 by Countrywide Estate Agents Ltd, with the property adjudged to have increased in value by £30k to £135k. Additions relate to properties gifted as part of a legacy and have been included at current market value based on appropriate professional advice.

The historic cost of investment property at 31 March 2025 was £16k (2024: £16k).

The total carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £17,970k (2024: £18,131k).

## Investment in subsidiary

| | The Charity | |
|---|---|---|
| | 2025 | 2024 |
| | £ | £ |
| Shares at cost | 100 | 100 |

The charity owns 100% of the share capital of St. Leonard's Hospice Enterprises Limited, which has remained dormant this financial year.

**19. Stock**

| | Charity | | Group | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £k | £k | £k | £k |
| Goods for resale | 7 | 13 | 7 | 13 |

**20. Debtors**

| | Charity | | Group | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £k | £k | £k | £k |
| Trade debtors | 68 | 25 | 68 | 25 |
| Amount owed by subsidiary | - | - | - | - |
| Other debtors | 134 | 75 | 134 | 75 |
| Prepayments | 321 | 160 | 321 | 160 |
| Accrued income | 1,667 | 2,805 | 1,667 | 2,805 |
| | 2,190 | 3,065 | 2,190 | 3,065 |

| | Charity | |
|---|---|---|
| **Amounts Owed by Subsidiary** | 2025 | 2024 |
| | £k | £k |
| Due within one year | - | - |
| Capital Loan | - | - |
| | - | - |



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The subsidiary ceased to trade in 2023 and is now dormant.

## 21. Creditors: amounts falling due within one year

| | Charity | | Group | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £k | £k | £k | £k |
| Trade creditors | 181 | 178 | 181 | 178 |
| Taxes and social security costs | 142 | 140 | 142 | 140 |
| Pension creditors | 88 | 85 | 88 | 85 |
| Other creditors | - | 1 | - | 1 |
| Accruals | 72 | 60 | 72 | 60 |
| Deferred Income | 38 | 40 | 38 | 40 |
| | 521 | 504 | 521 | 504 |

**Analysis of change in deferred income**

| | At 31 March 2024 | Released during year | Deferred | At 31 March 2025 |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Deferred Income | 40 | (40) | 38 | 38 |

The primary component of deferred income at March 2025 is future credits for lottery entries and sponsorship for events taking place after March 2025.

## 22. Contingent assets – legacy income

At 31 March 2025, the charity had been notified of its entitlement to 2 (2024: 2) residuary and life interest legacies with probate granted, the value of which is uncertain due to either insufficient information being available or due to potential claims on the estate. At the date when the accounts were signed, no further information had been received and so these legacies have either not been accrued or not been accrued in full.



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## 23. Analysis of group net assets between funds

| Fund balances at 31 March 2025 are represented by: | Unrestricted General Funds | Unrestricted Designated Funds | Restricted Funds | Total |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Tangible fixed assets | - | 4,919 | - | 4,919 |
| Investments | 6,970 | 11,000 | - | 17,970 |
| Current assets | 2,781 | - | 524 | 3,305 |
| Current liabilities | (521) | - | - | (521) |
| **Total net assets** | 9,230 | 15,919 | 524 | 25,673 |

| Fund balances at 31 March 2024 are represented by: | Unrestricted General Funds | Unrestricted Designated Funds | Restricted Funds | Total |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Tangible fixed assets | - | 4,402 | - | 4,402 |
| Investments | 7,131 | 11,000 | - | 18,131 |
| Current assets | 2,889 | - | 704 | 3,593 |
| Current liabilities | (504) | - | - | (504) |
| **Total net assets** | 9,516 | 15,402 | 704 | 25,622 |

## 24. Post balance sheet events

There have been no significant events since March 2025.

## 25. Capital commitments (group and charity)

At 31 March 2025, capital commitments amounted to £nil (2024: £nil).

## 26. Operating Lease Commitments (group and charity)

At 31 March 2025, the group and the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows: -

| | 2025 Land & Buildings | 2024 Land & Buildings | 2025 Other | 2024 Other |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Due within one year | 290 | 170 | - | 1 |
| Due between two and five years | 615 | 367 | - | - |
| Due after 5 years | - | - | - | - |
| | 905 | 537 | - | 1 |



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## 27. Related party transactions

During the year, there was no transaction with the subsidiary St. Leonard's Hospice Enterprises Limited to St. Leonard's Hospice York.

At 31 March 2025, there was no liability between the Hospice and St. Leonard's Hospice Enterprises Limited (2024: £33k owed to St. Leonard's Hospice Enterprises).

There were no other disclosable related party transactions.

## 28. Reconciliation of net movement in group funds to group net cash flow from operating activities

| | 2025 | 2024 |
|---|---|---|
| | £k | £k |
| Net movement in funds | 51 | 1,139 |
| **Adjustments for:** | | |
| Dividends, interest and rents from investments | (642) | (587) |
| Revaluation of investment property | - | (30) |
| Unrealised (gains)/losses on investments | (204) | (836) |
| Depreciation charges | 229 | 252 |
| Profit on sale of fixed assets | (2) | - |
| Investment management charges deducted from Portfolio | 99 | 94 |
| Decrease in stocks | 6 | 3 |
| Decrease/(Increase) in debtors | 875 | (433) |
| Increase in creditors | 17 | 29 |
| **Net cash provided by operating activities** | **429** | **(369)** |

**Major non cash transactions**

During the year property with a fair value of £400k was transferred into the charitable group by way of legacy and is included in debtors at year end with an intention to market for sale.

**Analysis of changes in net funds**

| | At 31 March 2024 | Cash flow | At 31 March 2025 |
|---|---|---|---|
| | £k | £k | £k |
| Cash and cash equivalents | **515** | 593 | **1,108** |

The charitable group had no debt in the current or previous year.



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### 29. Comparative Statement of Financial Activities

**Consolidated Statement of Financial Activities (Including Income and Expenditure Account) for the year ending 31 March 2024**

| | Notes | Unrestricted Funds £k | Restricted Funds £k | Total Funds 2024 £k |
|---|---|---|---|---|
| **Income from:** | | | | |
| Donations and legacies | **4** | 3,448 | 365 | 3,813 |
| *Income from charitable activities:* | | | | |
| Grants and contract income | **5** | 1,914 | 347 | 2,261 |
| *Income from other trading activities:* | | | | |
| Shops | **6** | 2,700 | - | 2,700 |
| Lottery | **7** | 394 | - | 394 |
| Fundraising and other activities | **8** | 450 | - | 450 |
| Investment Income | **9** | 587 | - | 587 |
| **Total income** | | **9,493** | **712** | **10,205** |
| **Expenditure on:** | | | | |
| *Costs of raising funds:* | | | | |
| Donations and legacies | **11** | 836 | - | 836 |
| Shops | **6** | 2,302 | - | 2,302 |
| Lottery | **7** | 198 | - | 198 |
| Fundraising and other activities | **8** | 198 | - | 198 |
| Investment Management Costs | **11** | 101 | - | 101 |
| *Expenditure on charitable activities:* | | | | |
| In-patient Care | **11** | 4,281 | 307 | 4,588 |
| Hospice@Home | **11** | 864 | 545 | 1,409 |
| Sunflower Wellbeing Hub | **11** | 119 | - | 119 |
| Bereavement and Family Support | **11** | 181 | - | 181 |
| **Total expenditure** | **11** | **9,080** | **852** | **9,932** |
| **Net income/ (expenditure) before other recognised gains/ (losses)** | | **413** | **(140)** | **273** |
| Realised and unrealised gains/ (losses)on investments | **18** | 866 | - | 866 |
| **Net income/ (expenditure) and net movement in funds** | | **1,279** | **(140)** | **1,139** |
| Total funds brought forward | | 23,639 | 844 | 24,483 |
| **Total funds carried forward** | **23** | **24,918** | **704** | **25,622** |



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**ST. LEONARD'S HOSPICE YORK**

England & Wales - Charity number 509294

# Accounts

# St. Leonard's Hospice York

(A company limited by guarantee)

Registered Charity No. 509294
Company No. 01451533

**Annual Report and Consolidated Financial Statements**

**for the year ending 31 March 2024**

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# St. Leonard's Hospice York

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# St. Leonard's Hospice York

**Report and financial statements for the year ending 31 March 2024**

## Foreword from the Chair and Chief Executive

The Trustees' Annual Report and audited financial statements for the year ending 31 March 2024 provide an opportunity to share information on the services we have delivered and the improvements we are planning for the year ahead.

During the year we have been able to return the Hospice to a more normal post-pandemic environment as well as provide additional support to local hospitals. We re-opened the last of our restricted services and welcomed many more volunteers and visitors back onto the site. The impact and repercussions for the health of the community we serve are, however, still with us and other recent and ongoing issues, such as the cost-of-living crisis, have created further challenges for the wellbeing of our local population.

Workforce challenges have been very real and have had a significant ongoing impact for all employees, particularly in the health and care sector. The ongoing strikes by healthcare staff in organisations we work alongside have created additional pressures and added to the backlog of care that we were already experiencing following the pandemic.

In view of these challenges, the Board is very proud of the outstanding care that has been provided to patients and their families and is pleased with the charity's financial performance.

Thanks to prudent financial management and strong legacy donations, the Hospice has built up good reserves and remains in a resilient financial position. We can be confident, therefore, that despite the uncertainty of some income and cost streams, we can continue to provide high quality end of life care to those who need our services, and we continue to develop ways to reach more of our community that increasingly needs our care and support.

There have been many changes this year to how hospice services are commissioned, working alongside colleagues at York and North Yorkshire'Place' rather than the previous Vale of York Clinical Commissioning Group. The transition has been relatively smooth as we develop new relationships across the Humber and North Yorkshire Integrated Care System.

The Hospice has continued to respond to the system-wide call to help with pressures across local hospitals, introducing measures to enable and support discharge from acute hospitals as well as supporting patients at home through our Hospice@Home service. We've re-opened day services with a focus on early intervention and wellbeing for people living with a life-limiting condition and we've also started a Carers Support Service to provide valuable hours of respite for people caring for a loved one at home.

Our services will continue to extend and expand in the future with quality and continuous improvement at the heart of our decision making. Our incident reporting processes, safety huddles and newly introduced 'learning for safety' processes are all contributing to a culture of learning and development, and we have been delighted with progress towards a more digitally-enabled future.

During the year, the Board welcomed as Trustees David Smith and Lorna Allan, both of whom bring with them a wealth of experience and skill.

On behalf of the Board of Trustees and Executive Team, we would like to thank our donors and supporters for their energy and commitment to ongoing fundraising, and the Hospice's staff and volunteers for their unwavering commitment to excellence in holistic patient care.

**David Dickson**
**Chair of the Board of Trustees**

**Emma Johnson**
**Chief Executive**



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# St. Leonard's Hospice York

**Report of the Trustees for the year ending 31 March 2024**

## Report of the Trustees

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2024, which are also prepared to meet the requirements for a directors' and strategic report and financial statements for Companies Act 2006 purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and 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 the Republic of Ireland (FRS 102) (effective 1 January 2019).

## Our purpose and activities

The charitable purpose of St. Leonard's Hospice York is to promote the relief of sickness by such charitable means as the charity shall from time to time think fit.

Our mission is to ensure that everyone living with a life limiting illness has access to the best possible care and will be supported to die well.

St. Leonard's Hospice cares for patients who have advanced, progressive and life-limiting illnesses, aiming to maintain and enhance their quality of life. We place patients at the centre of everything we do, holding important their right to be consulted and to be involved in decisions about their care.

We believe that our patients should receive holistic care, meaning that in addition to physical problems, their psychological, emotional and spiritual needs should be met as part of their care.

Our aim is to create an environment of openness and honesty where feelings can be shared with sensitivity and understanding.

## Our volunteers

The charity gratefully welcomes the unstinting help of 408 (2023: 380) volunteers in the hospice and its shops. Volunteers undertake a variety of roles at St. Leonard's and without them we would not be able to continue to provide the high standard of care to patients and families without employing additional staff. We would like to thank all our volunteers for their continued loyal support and service.

## Review of the year

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. St. Leonard's benefits the public living in its catchment area by providing specialist palliative care, without charge, for those with life-limiting illnesses. The catchment area includes, but is not exclusive to, the communities of Easingwold, Pocklington, Selby, Sherburn in Elmet, Stamford Bridge, Tadcaster, North and West Ryedale and York.

The Hospice was able to increase its capacity for patients, caring for 269 in-patients compared to 221 in 2023 due to improved staffing, responding to more urgent admissions



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outside of normal working hours and discussing onward care earlier in an admission with our new patient flow co-ordinator. Available beds were limited by staffing levels, with sector-wide shortages of clinical staff during the year restricting beds to between 12 and 14 compared to a potential maximum of 20. Our Hospice@Home service, which works collaboratively with other primary care services and enables patients to remain in their own homes, cared for 518 patients during the year (2023: 587), and provided 5,888 hours of care (2022: 6,145). The reduction in patients cared for in their homes relates to a reduction in referrals, and a review of the service has commenced following the year-end, with the aim of understanding how we can improve its reach.

The Hospice's Sunflower Centre was suspended in 2020 at the outset of the pandemic but was repurposed during the year for the new Sunflower Wellbeing Hub, providing a range of drop-in sessions for the wellbeing of anyone living with a life-limiting illness. This new service provided support to 285 individuals across the main hospice and the satellite site in Selby.

The Carer Support service, initiated in January 2023 to give carers of fast-track patients a much-needed break enjoyed its first full year, providing 3,050 hours of support to 226 carers.

Our Single Point of Coordination service– set up in the wake of the pandemic to help patients to access local services– continued to grow, handling 15,881 calls during the year (2023: 12,832).

The Bereavement service developed its service through both one-to-one and group sessions, reaching 166 clients (2023: 127) via 1325 contacts (2023: 913).

The number of support staff grew to 24 (2023:19) during the year as we invested in additional education staff to better equip our workforce with skills and training, IT staff to modernise our digital capabilities, and facilities staff to service our expanded retail estate.

In April 2022, the Hospice achieved a 'Good' rating after inspection by the Care Quality Commission (CQC). The report highlighted that the Hospice delivers high quality, inclusive, personalised care. The Hospice continues to strive for excellence and will aim for an 'outstanding' rating when next assessed. In order to achieve this, we have addressed all of the recommendations of the CQC report.

**Key Achievements**

During the year ended 31 March 2024, our key achievements were:

- A 22% increase in inpatient numbers as improved staffing and the success of the new patient flow co-ordinator allowed us to use our beds as effectively and efficiently as possible
- Growth of the new carer support service, which has enabled carers to have a break when caring for their loved one whose preference is to die at home
- Progression of a Digital Transformation project, which will equip staff in every area of the Hospice with the systems they need to work more effectively
- Repurposing of the Sunflower Centre to deliver new wellbeing groups and complimentary therapy sessions
- A financial operational surplus amidst a reduction in real-term funding and very challenging financial conditions, boosted by an expansion in the retail operation and profitable new fundraising events



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- Successful integration of electronic patient records via SystmOne, which has helped to collect and analyse patient outcome data to ensure the care we provide is having a positive impact
- Education and Training has focused on the launch of a new learning management system to enable staff to access education to support them in their roles

We have reviewed our clinical audit structure to ensure we can facilitate real time monitoring and analysis, empowering us to focus on continuous improvement to patient care.

**Plans for the future**

The strategy for St. Leonard's Hospice needs not only to be responsive in the short-term but also to ensure services evolve over time to meet the changing needs of service users. It is vital that the strategy also takes into account the affordability and long-term financial sustainability of the organisation.

The Hospice uses a range of approaches when considering future services and shaping the strategic vision. The Humber and North Yorkshire Integrated Care System (ICS) and its strategic plan for end-of-life care is central to our plans. We discuss this with the commissioners and other providers within the Humber & North Yorkshire Integrated Care Board (ICB) and are actively engaged with the local place-based Health & Care partnership board; through this forum we will evaluate the future needs of our local population.

The Trustees play an important role in formulating the strategic vision through discussions and papers at the Service Development and Governance sub-committees in particular, but also through the annual trustee strategic planning day.

Potential strategic developments are supported by budget proposals, risk analysis and recommendations to the Board of Trustees from relevant sub-committees.

Our strategic priorities in the next year will be:

- Understand the diverse and changing needs of patients and develop the best possible response to those needs. We will do this initially by reviewing existing services:
    - "Right care, Right place" to improve access and ease of referral
    - Single Point of Coordination
    - Hospice@Home
- Develop a broader integrated brand and marketing approach
- Development of our retail operation, prioritising an improved donations hub that will leverage retail income
- Work with the Humber and North Yorkshire ICB to provide more community-focused care to address rising needs in the context of pressure on acute hospitals
- Further develop patient wellbeing services and engagement with the community through the Wellbeing Hub
- Implement the next stage of our Digital Transformation project, which will enhance our workflows with more efficient systems
- Planning development of the hospice building to reflect changing needs, improve sustainability and ensure flexibility for developing future services



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- Develop an ESG framework and implement first stage of environmental strategy, including building and environmental survey that will help to improve efficiency of the main hospice building

## Financial review

The Trustees are satisfiedwith the charity's financial performance for the year ended 31 March 2024.

The results on the Consolidated Statement of Financial Activities show an operating surplus of £273k. A rise in the value of investment assets (£866k, following a fall of £551k in the previous year) bolstered the total surplus to £1,139k.

Total income rose 19% (£1.6m) compared to the prior year, from £8.6m in 2023 to £10.2m in 2024. Donations and legacies were a key contributor this increase, with legacies rising £814k to £2,912k in 2024. Strong growth was also seen in income from investments (+50%; +£196k) as investment yields rose, and from shops (+9%; +£223k) as improved sales were boosted by the opening of a new shop.

Annual expenditure increased by £1,242k due mainly to the increase in cost of inpatient services (+£433k) as inflationary pressures and an increase in clinical staff numbers drove up staff costs, and the increased investment in shops (+£388k) as the retail estate expanded and income grew.

The trading subsidiary company, St. Leonard's Hospice Enterprises Limited, did not trade during the year. The sale of bought-in goods had previously been via the subsidiary but from 2024 were made via the charity.

## Principal funding sources

With the exception of the funding that it receives from Integrated Care Boards (ICBs) and other NHS organisations, St. Leonard's is dependent on the support of the general public through donations, community fundraising, legacies, its lottery, fundraising events and charity shops.

In this financial year, the Hospice received funding totalling £1,940k (2023: £1,907k) from ICBs towards the cost of patient care. This included £347k (2023: £340k) from the Humber and North Yorkshire ICB and City of York Council Better Care Fund to meet the cost of the extended Hospice@Home service, which operates every day up until midnight. This statutory funding will continue to fund the extended service in 2024/25.

## Investment powers and policy

In accordance with the Articles of Association, the Trustees have the power to invest in such investments, securities or property as they see fit. The policy of the Board of Trustees is to use the monies of the charity for a combination of working capital, investments and property to ensure the longevity of St Leonard's Hospice.The primary objective of this policy is to preserve real value, managing risk and flexibility within an ESG framework. The portfolio currently comprises two investment funds (Sarasin Endowments Fund Class A inc. and Ruffer Charity Assets Trust) that balance equities and absolute return-based funds as well as a cash-based fund (CCLA COIF Charities Deposit Fund). The Trustees regularly review, at least on an annual



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basis, the proportion of the investments held in different asset classes. The performance of the portfolio is monitored and assessed in comparison with agreed composite benchmarks.

Fund managers appointed by the Hospice are encouraged to actively engage in Environmental, Social and Governance (ESG) issues. The investment policy was revised by the Finance & Investment committee in 2023 to ensure that investments continue to be ethical and evolve in line with the short- and long-term strategies of the Hospice.

Unrealised gains on investment in the year totalled £866k, contrasting with a decline in the prior year (-£551k). This rise, although strong, fell below the strategic benchmark as market recovery outpaced inflation during the year. The revaluation reserve reflects the long-term success of the policy, with gains on investments of £5,444k compared to historical cost.

**Reserves policy**

St Leonard's Hospice aims tomaintain free reserves sufficient to cover future total forecast expenditure for a period of between 12 to 24 months. Free reserves are defined as total reserves less restricted reserves and designated reserves.

In setting its Reserves Policy, the Board of Trustees has considered the guidance in 'CC19 Charities and Reserves' and taken its strategic aims into account.

To support its strategic aims, the Board may establish designated funds as appropriate for planned significant capital expenditure projects and new service initiatives.

Additionally, funds should permanently be designated for:

- Fixed Asset Fund – equivalent to NBV of fixed assets, representing funds that are not free reserves since they are essential to the functioning of the Hospice
- Service Continuity – it is deemed good governance to set aside funds equivalent to the cost of winding up the activities of the Hospice, notwithstanding its long-term sustainability

Reserves arising from restricted income must be held for the specific purpose intended by the donor or funder and are accounted for separately from unrestricted or designated reserves.

In setting the target level of free reserves, the Board of Trustees has considered:

- the nature of services provided and the need to provide stakeholders with assurance about the sustainability and development of services
- the charity's dependence on legacy income, which is volatile and unpredictable by nature
- working capital and cashflow requirements
- the generally fixed nature of service delivery costs
- the use of reserves to fund planned deficit budgets
- a contingency for significant unplanned expenditure
- a contingency for a significant unplanned shortfall in income generation
- a contingency for an unexpected cut in statutory funding

The Reserves Policy is reviewed by the Board of Trustees on an annual basis. The level of funds held by the Hospice at the year-end amounted to £25,622k (2023: £24,483k) and included designated funds of £15,402k (2023: £13,484k) and restricted funds of £704k (2023: £844k). After deducting designated funds, restricted funds and funds held as functional assets, the Hospice



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had free reserves of £9,516k (2023: £10,155k). Free reserves are held to allow the Hospice to withstand extraordinary events that significantly impact its income, and they represent 16 months' forward expenditure (2023: 19 months), within the targeted 12to 24 months' cover stated in the reserves policy.

**Our approach to fundraising and compliance**

St. Leonard's Hospice is reliant on the goodwill and support of the local community in order to provide its services to patients and their families completely free of charge. The Hospice enjoys a privileged status and an excellent reputation and with this comes a responsibility to maintain the very highest standards.

All income generation activities are undertaken within charity law, Charity Commission regulations, HMRC rules, the Gambling Act, local licensing laws, Advertising Standards Authority rules and data protection laws. This list is not exhaustive.

We continue to be registered with the Fundraising Regulator and are fully compliant with the Fundraising Code of Practice. We comply with all legislative requirements, but also strive to adopt best practice in all that we do.

As part of our fundraising efforts, we may work with commercial businesses, where as part of the activity we may promote and advertise their products in return for a donation or agreed share of profits. When we do so, we enter into a commercial participation agreement setting out specifics to protect our reputation and ensure compliance with relevant legislation.

St. Leonard's has an effective, open and accessible complaints policy, details of which can be found in our reception, within our shops, and on our website. We received no reportable complaints (2023: none) relating to fundraising practices in the year ending 31 March 2024.

**External fundraisers**

We use the service of one external provider to fundraise on our behalf: Starvale Management and Technologies Ltd (Company No: 03723339), who manage and promote the St. Leonard's Hospice Lottery. Plans for recruiting players to the St. Leonard's Hospice Lottery are discussed in advance in consultation with Starvale to ensure compliance and best practice.

Starvale is licensed and regulated by the Gambling Commission; all Starvale representatives receive Gambling Commission training (inclusive of vulnerable persons training) and are trained in and adhere to the Fundraising Regulators Rule Book for Face-to-Face Fundraising. Starvale is audited annually on the Gambling Commission subset of ISO27001:2022. The audit report is available on request.

There were no reportable complaints (2023: no complaints) relating to the activity undertaken by Starvale on behalf of the Hospice. In the year ending 31 March 2024, 49.0% (2023: 50.7%) of the proceeds from weekly draws and seasonal super draws were used to fund the work of the Hospice.

**Environmental, Social & Governance (ESG)**

ESG standards are increasingly used by organisations to quantify their good governance and impact on society and the environment, and the Hospice is working to build an ESG framework to ensure such considerations become a more formal part of decision making.



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Trustees are satisfied that its leaders are accountable and governance is transparent, as detailed in the section on page 10 below. The positive impact on society is outlined on page 2 above, but the development of an ESG framework will also help us to articulate the equity of our treatment of staff and patients.
The Hospice is committed to reducing its environmental impact and continues to develop its environmental strategy. This includes the formation since the year-end of a staff group focused on the sustainability of the Hospice and the tracking of its carbon footprint with the ultimate aim of a net zero impact. The Hospice reduces its energy consumption through solar panels and its environmental impact through a recycling programme and a Cycle to Work scheme.

### Reference and administrative details

Charity Number: 509294
Company Number: 01451533
Registered Office: 185 Tadcaster Road, York, YO24 1GL

### Our advisors

| | | |
|---|---|---|
| Auditor | BHP LLP | Rievaulx House,1 St. Mary's Court, York, YO24 1AH |
| Bankers | National Westminster Bank | 1 Market Street, York, YO1 8SR |
| Solicitors | Hague & Dixon | Bank House, 1 The Square, Stamford Bridge, York, YO41 1AG |
| | Lupton Fawcett | Stamford House, Piccadilly, York, YO1 9PP |
| Investment Managers | Sarasin & Partners LLP | Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU |
| | Ruffer LLP | 80 Victoria Street, London, SW1E 5JL |
| | CCLA | Senator House, 85 Queen Victoria Street, London, EC4V 4ET |



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### Key management personnel: St. Leonard's Hospice York

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees and officers serving during the year and since the year end were as follows:

| | |
|---|---|
| Trustees and directors: | David Dickson (Chair)<br>Sandra Falcus<br>Prof Kate Flemming<br>Khushbu Goulden<br>Juliette Healey<br>Prof Mike Holmes<br>Eamonn Keogh<br>Jacqueline Myers<br>Dr Lavinia Norton<br>Tony Taylor<br>Melanie Kay<br>Kate O' Connell<br>Lorna Allan (appointed June 2023)<br>Shaun Parker (appointed June 2024)<br>David Smith (appointed March 2024) |
| Company Secretary: | David Jones |

| | | |
|---|---|---|
| Executive Team: | Emma Johnson | (Chief Executive) |
| | Ingrid Jenner | (Director of People) |
| | David Jones | (Director of Finance & Corporate Services) |
| | Dr Bill Hulme | (Medical Director) |
| | Dawn Clements | (Director of Income Generation; resigned July 2023) |
| | Anne-Marie Roberts | (Director of Clinical Services) |

### Key management personnel: St. Leonard's Hospice Enterprises Limited (dormant)

| | | |
|---|---|---|
| Directors: | Juliette Healey | (Chair) |
| | David Dickson | |
| | Tony Taylor | |
| Company Secretary | David Jones | |



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## Structure, governance and management

### Governing document
St. Leonard's Hospice York is a company limited by guarantee governed by its Articles of Association, which were last amended by Special Resolution on 29 October 2019.

### Appointment of Trustees
The Hospice has a robust and transparent process for the recruitment of Trustees and uses a skills matrix to ensure that the Board can draw on a diverse range of skills, expertise, experience and backgrounds and that the Board is as representative of the community we serve as possible.

Recruitment to the Board is a two-stage process. Firstly, we invite members of the public who are prepared to act as a voluntary trustee to express an interest and undertake our selection process. Successful applicants are recorded on our Register of Potential Future Trustees. Secondly, the Board identifies a vacancy and invites an individual on the Register of Potential Future Trustees to fill the vacancy. It is usual for potential future trustees to serve as a co-opted member of one of the sub-committees of the Board before becoming a trustee.

Full information about the recruitment process for Trustees including our Recruitment and Appointment of Trustees policy is published on our website www.stleonardshospice.org.uk. Trustees are, if appropriate, re-appointed by the Board at the end of each three-year term and Trustees must retire after serving for 12 consecutive years. The maximum term of service exceeds the 9 years recommended by the Charity Governance Code. However, the Board of Trustees has agreed that a longer maximum term of service is more appropriate for a local service delivery charity such asSt. Leonard's, enabling it to achieve the optimum balance of skills and experience on the Board.

### Trustee induction and training

St. Leonard's operates an induction process for new Trustees to prepare them for their role. Trustees participate in in-house training programmes and attend external courses as necessary. They also attend meetings and conferences with their counterparts from other UK hospices and charities.

### Organisation and governance

The Board of Trustees administers the charity. The Board normally meets quarterly and in addition holds an annual Strategy Day. Sub-committees (Finance & Investment, Governance, Membership, People & Culture, Income Generation and Service Development) meet between 2 and 6 times a year. Sub-committees are made up of Trustees with the appropriate knowledge and experience, along with outside advisors either paid or voluntary where the committee deems it necessary.

The Board reviews its performance annually through a confidential board consultation and review exercise conducted by a trustee member of the Membership Committee.

The Board of Trustees is committed to compliance with the principles and recommended practice of the Charity Governance Code, supported by the benchmarking of Hospice policies, practices and procedures against the Code. A routine independent review of governance has been commenced following the year-end.



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The Chief Executive and executive team are appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive and the executive team under the direction of the Chief Executive have delegated authority for operational matters under the scheme of delegation.

**Related parties and co-operation with other organisations**
None of the Trustees receive remuneration or any other benefits from their work with the charity.

Any connection between a Trustee, co-opted committee member or member of the executive team, and a supplier, funder, supporter, organisation working collaboratively with, or beneficiary of the charity must be disclosed to the Board of Trustees in the same way as any other contractual relationship with a related party.

St. Leonard's works collaboratively with a number of organisations including other local hospices and local healthcare providers. In doing so, our aim is to improve palliative and end of life care for local people.

The Hospice is also represented on:

- Member of Hospice UK
- Yorkshire Hospices Forum
- Forum of Hospice Chairs
- NHS North Yorkshire and York Partnership End of Life Locality Group
- East Riding and Hull Partnership End of Life Locality Group
- York Health and Care Partnership Board



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## Pay policy for senior staff

The pay of the Chief Executive and executive team is reviewed annually by the Board of Trustees. During the year, in light of recruitment challenges arising from sector-wide staff shortages, a pay increase was applied to all staff that aimed to match the NHS Pay Award.

## Risk management

The Trustees have identified resources and established review systems to manage organisational risk.

The Governance committee of the Board receives regular reports covering the management of clinical, health & safety, information and other risks, along with notification of any matters reported to any regulatory authority. Financial risks are reported via the Finance & Investment Committee.

The Hospice operates a robust control environment to ensure compliance with legislation, regulations and best practice, principally that which is outlined in Charity Commission guidance. Controls are outlined in a full suite of policies and procedures, which are reviewed regularly by senior management.

The Trustees maintain a register of the risks faced by the charityThe risk register is continually reviewed by the executive team, by the Governance Committee and Finance & Investment Committee on a quarterly basis and by the board on an annual basis. The risk register records the risks that may arise in each area of the charity's operation, along with the policies, systems and procedures in place to mitigate them.

Risks are identified, assessed, and scored according to their likelihood and impact. Appropriate steps are then taken to mitigate them in day-to-day operations. A robust control environment has been developed and internal controls are reviewed annually by trustees in line with Charity Commission guidance (CC8).

The principal challenges and uncertainties faced by the Hospice at the time of writing are as follows:

- Computer network failure or cyber attack
- Achieving sustainable funding as opposed to the current significant reliance on unpredictable legacy income
- Potential reputational damage from an unanticipated negative event

## Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also Directors of St. Leonard's Hospice York for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare annual financial statements that give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group. In preparing the financial statements, the Trustees are required to:



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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and 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 financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

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

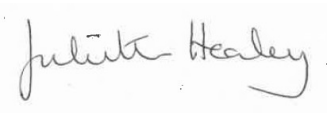
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement as to disclosure to our auditors**
In so far as the Trustees are aware at the time of approving the annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps required as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**
The previous auditor, Azets Audit Services Limited, was replaced by BHP LLP following a periodic review and tender process in December 2023. BHP LLP have indicated their willingness to stand for reappointment at the annual general meeting.

The Trustees' Report, which includes the Strategic Report, was approved by the Board of Trustees on 16th December 2024 and signed on its behalf by:



Juliette Healey
**Trustee**

Signer ID: KE6UKSNQGO...

Eamonn Keogh
**Trustee**



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# St. Leonard's Hospice York

**Independent Auditor's Report to the Trustees of St Leonard's Hospice York for the year ending 31 March 2024**

## Opinion

We have audited the financial statements of St Leonard's Hospice York (the "parent charity") and its subsidiary (the "group") for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024, 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other information

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



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Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

**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 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 the Trustees**
As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.



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**Auditor responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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 company through discussions with directors and other management, and from our commercial knowledge and experiences of the charity's sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, taxation legislation and data protection, employment, health and safety legislation (including CQC documentation) and requirements of the Gambling Commission;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence throughout;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

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

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

- Performed analytical procedures to identify any unusual or unexpected variances.
- Tested journal entries to identify unusual transactions.
- Assessed whether judgments and assumptions made in determining the accounting estimates set out in note 1e were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.



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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

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.

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.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit. This description forms part of our auditor's report.

**Use of our report**

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

BHP LLP

Signer ID: CRZCVPKXXZ... 19/12/2024 GMT

Laura Masheder (Senior statutory auditor) .....

For and on behalf of

**BHP LLP**

Chartered Accountants
Statutory Auditors
Rievaulx House,
1 St Mary's Court,
Blossom Street,
York, YO24 1AH



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# St. Leonard's Hospice York

## Consolidated Statement of Financial Activities for the year ending 31 March 2024

| | Notes | Unrestricted Funds £k | Restricted Funds £k | Total Funds 2024 £k | Total Funds 2023 £k |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | **4** | 3,448 | 365 | 3,813 | 2,885 |
| *Income from charitable activities:* | | | | | |
| Grants and contract income | **5** | 1,914 | 347 | 2,261 | 2,152 |
| *Income from other trading activities:* | | | | | |
| Shops | **6** | 2,700 | - | 2,700 | 2,477 |
| Lottery | **7** | 394 | - | 394 | 398 |
| Fundraising and other activities | **8** | 450 | - | 450 | 293 |
| Investment Income | **9** | 587 | - | 587 | 391 |
| **Total income** | | **9,493** | **712** | **10,205** | **8,596** |
| **Expenditure on:** | | | | | |
| *Costs of raising funds:* | | | | | |
| Donations and legacies | **11** | 836 | - | 836 | 781 |
| Shops | **6** | 2,302 | - | 2,302 | 1,914 |
| Lottery | **7** | 198 | - | 198 | 196 |
| Fundraising and other activities | **8** | 198 | - | 198 | 158 |
| Investment Management Costs | **11** | 101 | - | 101 | 80 |
| *Expenditure on charitable activities:* | | | | | |
| In-patient Care | **11** | 4,281 | 307 | 4,588 | 4,155 |
| Hospice@Home | **11** | 864 | 545 | 1,409 | 1,211 |
| Sunflower Wellbeing Hub | **11** | 119 | - | 119 | - |
| Bereavement and Family Support | **11** | 181 | - | 181 | 195 |
| **Total expenditure** | **11** | **9,080** | **852** | **9,932** | **8,690** |
| **Net income/ (expenditure) before other recognised gains/ (losses)** | | **413** | **(140)** | **273** | **(94)** |
| Realised and unrealised gains/ (losses)on investments | **18** | 866 | - | 866 | (551) |
| **Net income/ (expenditure) and net movement in funds** | | **1,279** | **(140)** | **1,139** | **(645)** |
| Total funds brought forward | | 23,639 | 844 | 24,483 | 25,128 |
| **Total funds carried forward** | **23** | **24,918** | **704** | **25,622** | **24,483** |

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

A fully detailed comparative Statement of Financial Activities for the year ending 31 March 2023 is shown at note 29.



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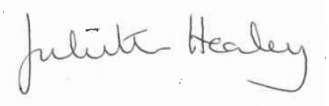
# St. Leonard's Hospice York

## Balance Sheets as at 31 March 2024

| | Notes | Charity 2024 £k | Charity 2023 £k | Group 2024 £k | Group 2023 £k |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | **17** | 4,402 | 4,484 | 4,402 | 4,484 |
| Investments | **18** | 17,996 | 17,008 | 17,996 | 17,008 |
| Investment properties | **18** | 135 | 105 | 135 | 105 |
| **Total fixed assets** | | 22,533 | 21,597 | 22,533 | 21,597 |
| **Current assets** | | | | | |
| Stock | **19** | 13 | 16 | 13 | 16 |
| Debtors | **20** | 3,065 | 2,576 | 3,065 | 2,543 |
| Cash at bank and in hand | | 515 | 754 | 515 | 803 |
| **Total current assets** | | 3,593 | 3,346 | 3,593 | 3,362 |
| **Liabilities** | | | | | |
| Creditors falling due within one year | **21** | (504) | (475) | (504) | (476) |
| **Net current assets** | | 3,089 | 2,871 | 3,089 | 2,886 |
| **Net assets** | **23** | **25,622** | **24,468** | **25,622** | **24,483** |
| **The funds of the charity** | **10** | | | | |
| **Unrestricted Funds:** | | | | | |
| Unrestricted general funds | | 9,516 | 10,140 | 9,516 | 10,133 |
| Unrestricted designated funds | | 15,402 | 13,484 | 15,402 | 13,484 |
| Non-charitable trading funds | | - | - | - | 22 |
| | | 24,918 | 23,624 | 24,918 | 23,639 |
| **Restricted income funds** | | 704 | 844 | 704 | 844 |
| **Total charity funds** | **23** | **25,622** | **24,468** | **25,622** | **24,483** |

The notes on pages 21 - 42 form part of these financial statements.

The financial statements were approved by the Board on 16 th December 2024 and signed on its behalf by:



Juliette Healey
**Trustee**

Signer ID: KE6UKSNQGO...

Eamonn Keogh
**Trustee**

**Company registration number: 01451533**



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# St. Leonard's Hospice York

## Consolidated Statement of Cash Flows for the year ending 31 March 2024

| | Notes | 2024 £k | 2023 £k |
|---|---|---|---|
| **Net cash (used in)/provided by operating activities** | **28** | **(369)** | **634** |
| **Cash flows from investing activities:** | | | |
| Dividends, interest and rent from investments | | 497 | 315 |
| Purchase of property, plant and equipment | | (170) | (56) |
| Proceeds from the sale of property, plant and equipment | | - | 17 |
| Payments to acquire investments | | (1,546) | (2,728) |
| Proceeds from the disposal of investments | | 1,300 | - |
| **Net cash provided by/(used in) financing activities** | | **81** | **(2,452)** |
| **Change in cash and cash equivalents in the year** | | **(288)** | **(1,818)** |
| Cash and cash equivalents at the start of the year | | 803 | 2,621 |
| **Total cash and cash equivalents at the end of the year** | | **515** | **803** |
| **Analysis of cash and cash equivalents** | | | |
| Cash at bank and in hand | **28** | 515 | 803 |
| | | **515** | **803** |



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# St. Leonard's Hospice York

## Notes to the Financial Statements for the year ending 31 March 2024

1. **Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) **Company information**

St. Leonard's Hospice York is a company limited by guarantee, governed by its Articles of Association that were last amended by special resolution on 29 October 2019, and a charity registered in England and Wales. The registered office is 185 Tadcaster Road, York, YO24 1GL.

(b) **Accounting convention**

The financial statements have been prepared on a going concern basis 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 (FRS 102) (effective 1 January 2019) (Charities SORP(FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

St. Leonard's Hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts, the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS 102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

(c) **Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and not less than one year from the date of approval. The Trustees are constantly monitoring the financial position of the charity, in particular with regard to the potential changes to funding following the abolition of the government's Clinical Commission ing Groups and the impact on donations of the ongoing cost-of-living crisis. The charity has no borrowings and receives substantial funding from government grants and contracts, of which significant amounts have already been secured for the 2024/25 financial year; its level of reserves give assurance that it can withstand the short-term fluctuations in income that might arise from this uncertainty, although the situation is under continual review. The decision was made to discontinue the activities of the subsidiary company, St. Leonard's Hospice Enterprises, as of 1st April 2023, and the company remained dormant throughout this year.

(d) **Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary, St. Leonard's Hospice Enterprises Ltd, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity have not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The charity's results for the year are disclosed in note 3.

(e) **Income**

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made



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by the executor(s) that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably and where the Hospice is not aware of any potential challenge to the estate. Where a legacy is impending but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material (see note 22).

Income received in advance of fundraising events is deferred until the event has taken place and the criteria for income recognition are met.

(f) **Donated goods, services and facilities**

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

In accordance with Charities SORP (FRS 102), the value of volunteer time is not recognised in the financial statements. The Trustees' Annual Report from page 2 contains more information on volunteers.

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

Income from goods donated for sale in the charity's shops is recognised at point of sale. As a result of the high volume of low value donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

(g) **Investment income**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of interest paid or payable.

Rents from investment properties are included when they are receivable by the charity.

Dividend income from investment funds is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of dividends paid or payable.

(h) **Fund accounting**

Unrestricted general funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations or other income that the donor or funder has specified are to be used for particular areas of the charity's work. Unrestricted designated funds have been set aside for fixed assets, capital projects including the redevelopment of the main hospice site into an energy-and space- efficient building adapted to the changing needs of patients, as well as the expansion of our retail estate in order to reduce our dependency on variable legacy income.



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(i) **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprise the costs of raising funds from voluntary income and through fundraising activities including events, charity shops and lotteries and their associated support costs.
- Expenditure on charitable activities includes the cost of caring for patients either as in-patients or out-patients at the Hospice or in their own homes through the Hospice@Home service, bereavement and family support and educational activities undertaken to further the purposes of the charity and their associated support costs.
- Investment management costs reflect the cost of managing the H ospice's investment portfolio.
- Other expenditure represents those items not falling under any other heading.

The Hospice is able to reclaim most of the VAT it incurs. A small amount of irrecoverable VAT is included in support costs.

(j) **Allocation of support and governance costs**

Support costs relate to those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration, finance, human resources, information systems and governance costs that support the services providing care to patients and families.

Governance costs are those that are essential to ensure the effective running of the charity (e.g. audit fees).

Support and Governance costs have been allocated in proportion to the costs incurred directly within each element of the Costs of raising funds and Expenditure on charitable activities as set out in note 11.

(k) **Operating leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

(l) **Pensions**

The charity operates a number of pension arrangements for the benefit of employees, which include both defined benefit and defined contribution schemes. The assets of the schemes are held separately from those of the charity and are invested in either the NHS Pension Scheme, the defined contribution Legal & General Workplace Pension Scheme or the personal pension schemes of certain employees, all of which are run independently of the Hospice. The charge to the Statement of Financial Activities represents the contributions payable by the charity to the schemes during the year.

The defined benefit NHS scheme is an unfunded scheme backed by the exchequer. Employers cannot identify their share of the assets and liabilities. In accordance with FRS 102 the scheme has been accounted for as if it were a defined contribution scheme and contributions are recognised as an expense.

(m) **Staff costs**

The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

(n) **Investments**

Investments (other than investments in subsidiaries) are stated at market value at the balance sheet date.



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The investment portfolio (see note 18) is held to generate returns and gains for the charity and accordingly is designated as fair value through profit and loss ("FVTPL"). The portfolio is revalued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the Statement of Financial Activities.

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured using the fair value model and are stated at their fair value as estimated by qualified third parties at the reporting date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities. Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

(o) **Tangible fixed assets**

Individual fixed assets costing more than £2,500 are capitalised and included at cost and are depreciated over their estimated useful economic lives in annual instalments, with a full year 's charge in the acquisition year and no charge in the year of disposal as follows:

| | |
|---|---|
| Freehold property | 2% Straight Line Basis |
| Leasehold property | Over the period of the lease |
| Retail point of sale system | 20% Straight Line Basis |
| Plant | 5% to10% Straight Line Basis |
| Medical equipment | 10% to 20% Straight Line Basis |
| Furniture, fittings and equipment | 10% to 20% Straight Line Basis |
| Motor vehicles | 20% Straight Line Basis |

Buildings are regularly reviewed for indications of impairment. Where there is an impairment, the difference between the assessed recoverable value of the building and its written down cost is charged to the Statement of Financial Activities.

Freehold land is not depreciated.

Fixed Assets and depreciation charges are treated as designated funds.

(p) **Stock**

Stock of new bought-in goods is valued at the lower of cost and net realisable value.

It is impractical to estimate the fair value of goods donated for sale in the charity's shops due to the high volume and low value of such transactions, and so these are not included on the balance sheet. The value of these goods to the charity is instead recognised when they are sold.

(q) **Financial instruments**

The provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 are applied to all financial instruments.

(r) **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity held for working capital.

(s) **Debtors and other assets**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.



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Financial assets are impaired where there is objective evidence that, as a result of events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the Statement of Financial Activities.

(t) **Creditors, loans and provisions**

Creditors, loans and provisions are recognised where there is 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 estimated reliably. Creditors, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial liabilities are only derecognised when, and only when, obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

(u) **Critical accounting estimates and judgements**

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

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

**Critical estimates**

**Depreciation of tangible assets**

Depreciation policies have been set according to experience of the useful lives of the assets in each category and are reviewed annually.

Expenditure is incurred on creating tangible fixed assets for use in the charity, with costs incurred over a number of months. The Trustees believe it is possible to segregate these costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

**Designated Reserves**

Having determined the need to designate funds for specific future needs as detailed in the Reserves policy, best estimates of future cashflows are used to quantify the amounts for designation.

**Legacies**

Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and sufficient information is available to allow the measure of entitlement, and it is probable that funds are receivable.

**2. Legal status of the charity**

St. Leonard's Hospice York 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 £1 per member (the charity's trustees are also its members).



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### 3. Financial performance of the charity

The charity's wholly owned subsidiary was dormant in the year but its results for the prior year are included in the consolidated Statement of Financial Activities.

The summary financial performance of the charity alone is:

| | 2024 | 2023 |
|---|---|---|
| | £k | £k |
| Income | 10,205 | 8,532 |
| Gift Aid from subsidiary company | 15 | 24 |
| | 10,220 | 8,556 |
| Expenditure | (9,932) | (8,652) |
| **Net income/expenditure** | **288** | **(96)** |
| Investment gains | 866 | (551) |
| Total funds brought forward | 24,468 | 25,115 |
| **Total funds carried forward** | **25,622** | **24,468** |
| Represented by: | | |
| Unrestricted income funds | 9,516 | 10,140 |
| Unrestricted designated funds | 15,402 | 13,484 |
| Restricted income funds | 704 | 844 |
| | **25,622** | **24,468** |

### 4. Income from donations and legacies

| | 2024 | 2023 |
|---|---|---|
| | £k | £k |
| Donations | 901 | 787 |
| Legacies | 2,912 | 2,098 |
| | 3,813 | 2,885 |

The Hospice benefits greatly from the involvement of its many volunteers, details of which are given in the Trustees' Annual Report from page 2 above. In accordance with FRS 102, the economic contribution of volunteers is not recognised in the financial statements.



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### 5. Income from charitable activities

| | 2024 | 2023 |
|---|---|---|
| | £k | £k |
| *Grants and contract income from* | | |
| *Integrated Care Boards:* | | |
| Inpatient and day services | 1,593 | 1,567 |
| Hospice@Home | 347 | 340 |
| | 1,940 | 1,907 |
| *Other funding:* | | |
| NHS Pension contributions paid directly by NHS England | 115 | 114 |
| Carer Support Service | 180 | 63 |
| Pharmacy Services | 26 | 26 |
| Project Echo | - | 42 |
| Total income from charitable activities | 2,261 | 2,152 |

Included within the restricted funds is contract income of £347k (2023: £340k) from NHS Humber & North Yorkshire ICB through the Better Care Fund to fund the extended Hospice@Home service.

Project Echo drew to a close during the previous year at the end of NHS England's funding programme .

A 6.3% increase in NHS Pension Scheme employer contributions effective from 1 April 2019 was funded centrally by NHS England and is reflected in both income and expenditure on staff costs in these accounts. The cost of the increase was £115k (2023: £114k).

The ICB commissioned a new Carer Support Service during the previous year to provide valuable breaks and respite for the carers and family of those requiring palliative end-of-life care. Funding increased to £180k (2023: £63k) since this is the first full year of funding.

### 6. Income and expenditure from other trading activities - shops

| | 2024 | 2023 |
|---|---|---|
| | £k | £k |
| Income from the sale of donated goods including Gift Aid | 2,651 | 2,414 |
| Income from the sale of bought in goods | 49 | 63 |
| Total income from shops | 2,700 | 2,477 |
| | | |
| Costs of buying in goods | - | (34) |
| Staff costs | (1,260) | (1,059) |
| Other costs | (1,042) | (821) |
| Total expenditure on shops | (2,302) | (1,914) |
| | | |
| Net profit arising from shops | 398 | 563 |



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The wholly owned trading subsidiary St. Leonard's Hospice Enterprises Ltd is incorporated in England and Wales (company number 02589172). It ceased activity on 1 st April 2023 and is now dormant, but previously sold bought-in goods and donated all its profits to the charity under the gift aid scheme.

The summary financial performance of the subsidiary alone is:

| | 2024 | 2023 |
|---|---|---|
| | £k | £k |
| Trading Income | - | 63 |
| Cost of sales and administration costs | - | (39) |
| Net profit | - | 24 |
| Amount gift aided to the charity | (15) | (24) |
| Retained in subsidiary | - | - |

The assets and liabilities of the subsidiary were:

| | 2024 | 2023 |
|---|---|---|
| | £k | £k |
| Current assets | - | 60 |
| Current liabilities | - | (27) |
| Capital Loan | - | (20) |
| Total net assets | - | 13 |
| Aggregate share capital and reserves | - | 13 |

After the subsidiary ceased trading, in the year to 31 March 2024 a donation of £15k (2023: £24k) was made to the parent charitable company in order to settle the balances between the charity and the subsidiary.

**7. Income and expenditure from other trading activities – lottery**

| | 2024 | 2023 |
|---|---|---|
| | £k | £k |
| Income from lottery sales | 394 | 398 |
| Prizes | (40) | (37) |
| Other lottery costs | (158) | (159) |
| | (198) | (196) |
| Total lottery profits | 196 | 202 |



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### 8. Income and expenditure from other trading activities - fundraising and other activities

| | 2024 | 2023 |
|---|---|---|
| | £k | £k |
| Fundraising events and activities | 381 | 223 |
| Provision of placements/training courses | 23 | 21 |
| Room hire | 3 | 3 |
| Catering for staff and visitors | 22 | 15 |
| Industrial injury claims for treating patients with mesothelioma | 10 | - |
| Generating electricity | 3 | 4 |
| Sponsorship income | 5 | 19 |
| Miscellaneous income | 3 | 8 |
| Total income from fundraising activities | 450 | 293 |
| Cost of fundraising events and activities | (198) | (158) |
| Surplus on fundraising events and other activities | 252 | 135 |

Sponsorship income generated by fundraising activities is accounted for as donations.

### 9. Investment Income

The charity received investment income from the following sources during the year:

| | 2024 | 2023 |
|---|---|---|
| | £k | £k |
| Dividends | 417 | 339 |
| Rents from investment properties | 7 | 6 |
| Interest on cash deposits | 163 | 46 |
| | 587 | 391 |



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### 10. Funds

| Year ended 31 March 2024 | Movement in Funds | | | | |
|---|---|---|---|---|---|
| | 01-Apr 2023 | Income | Expenditure | Designation | 31-Mar 2024 |
| | £k | £k | £k | £k | £k |
| **Unrestricted Funds** | 10,155 | 9,493 | (8,132) | (2,000) | 9,516 |
| **Designated Funds** | | | | | |
| Fixed Assets fund | 4,484 | - | (82) | - | 4,402 |
| Building redevelopment fund | 7,000 | - | - | (3,000) | 4,000 |
| Service Continuity fund | - | - | - | 3,000 | 3,000 |
| Deficit mitigation fund | - | - | - | 2,000 | 2,000 |
| Retail development fund | 1,500 | - | - | - | 1,500 |
| Digital transformation fund | 500 | - | - | - | 500 |
| | 23,639 | 9,493 | (8,214) | - | 24,918 |

The revaluation reserve is included within unrestricted funds and totalled £5,444k (2023: £4,696k), including £30k (2023: nil) relating to listed and investment properties.

The Fixed Asset fund represents assets in use by the Hospice that cannot be used for other purposes.

The Building Redevelopment fund has been identified to modernise the main Hospice site for patients and to improve its efficiency and environmental credentials; this was revised downwards during the year in line with updated architects' estimates.

The Service Continuity fund is a new fund introduced solely to reflect the costs that would be incurred in the highly unlikely event that any hospice services needed to be wound down. The funds are earmarked as an accounting discipline and in no way reflect any intention.

The ongoing financial ambition for the Hospice is sustainability and to eradicate operational deficits, and we plan to achieve this in the medium-term. The Deficit Mitigation fund has been set up to cover short-term deficits identified in the interim forecasts.

The Retail Development fund will enable the expansion of our retail estate in order to reduce our dependency on variable legacy income.

The Digital Transformation fund is intended to cover the costs of modernising the H ospice's IT service and related systems to enable staff to work more effectively for the benefit of patients.



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**Restricted Funds**

| Year ended 31 March 2024 | Balance 01-Apr-23 | Movement in Funds: Income | Movement in Funds: Expenditure | Balance 31-Mar-24 |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Hospice@Home service | 685 | 363 | (539) | 509 |
| Personalised Care Project | 37 | - | (37) | (0) |
| Hospice@Home vehicle | 25 | - | (6) | 19 |
| Equipment Funds | 12 | 43 | (13) | 42 |
| Carer Support Service | 53 | 180 | (120) | 113 |
| Pharmacy Services | - | 26 | (26) | - |
| Drugs and oxygen | - | 99 | (99) | - |
| Sundry other funds | 32 | 1 | (12) | 21 |
| | 844 | 711 | (852) | 704 |

Where a donor specifies that a donation is to fund a particular service e.g. the Hospice@Home service, the funds are restricted and applied to cover the cost of that service.

Opening funds for the Hospice@Home service include the remaining balance of an exceptional £1m donation in 2022, and these funds continue to be used in 2024 to expand the scope and reach of the service over a planned 3-year period. In addition, £347k (2023: £340k) of contract income was received from the Better Care Fund through Humber & North Yorks ICB to fund the Hospice@Home service.

The Personalised Care Project relates to funds received from the Humber & North Yorks Integrated Care Board (ICB) for the purpose of providing a more tailored domiciliary care service to patients and families.

The Hospice@Home vehicle was funded by a donation in 2022 and is used to visit patients at the outer reaches of our communities; expenditure against this fund represents depreciation of the vehicle.

Equipment Funds were boosted by the exceptional efforts of the family of one patient – Dominic Ryan – to raise money for the purchase of a "cuddle bed". This bed allows families of patients to be closer to their loved ones receiving care, providing an important part of home life in the Hospice.

The ICB commissioned a new Carer Support Service during the prior year, and 2024 is the first full year of funding. This service provides valuable breaks and respite for the carers and family of those requiring palliative end-of-life care.

The ICB funds the cost of drugs and other pharmaceutical services provided to Hospice patients by York Hospitals NHS Foundation Trust under the arrangements outlined in the Department of Health Executive Letter 94; these totalled £99k (2023: £80k) during the year. It also continued fund the cost of pharmacy services, totalling £26k (2023: £26k) during the year.

Sundry other funds chiefly include small balances for the funding of ACP staff and workforce development; the expenditure during the year was due to the conclusion of the homelessness project, which enabled the return of funds to funders.



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The funds in the prior year are as below for comparison:

| Year ended 31 March 2023 | Movement in Funds | | | | |
|---|---|---|---|---|---|
| | 01-Apr 2022 | Income | Expenditure | Designation | 31-Mar 2023 |
| | £k | £k | £k | £k | £k |
| **Unrestricted Funds** | 10,386 | 7,996 | (8,227) | - | 10,155 |
| **Designated Funds** | | | | | |
| Fixed Assets Fund | 4,624 | - | (140) | - | 4,484 |
| Building redevelopment fund | 7,000 | - | - | - | 7,000 |
| Retail development fund | 1,500 | - | - | - | 1,500 |
| Digital transformation fund | 500 | - | - | - | 500 |
| | 24,010 | 7,996 | (8,367) | - | 23,639 |

| Restricted Funds<br>Year ended 31 March 2023 | Movement in Funds | | | |
|---|---|---|---|---|
| | 01-Apr 2022 | Income | Expenditure | 31-Mar 2023 |
| | £k | £k | £k | £k |
| Hospice@Home service | 977 | 374 | (666) | 685 |
| Personalised Care Project | 63 | - | (26) | 37 |
| Hospice@Home vehicle | 40 | - | (15) | 25 |
| Workforce development | 2 | 3 | - | 5 |
| Project Echo | - | 43 | (43) | - |
| ACP Funding | 8 | - | - | 8 |
| Equipment Funds | 11 | 2 | (1) | 12 |
| Service extension/ Covid Co-ordinator | - | 63 | (10) | 53 |
| NHS England COVID-19 grant | - | 26 | (26) | - |
| Drugs & oxygen | - | 80 | (80) | - |
| Homelessness Project | 8 | 3 | (2) | 9 |
| Sundry other funds | 9 | 6 | (5) | 10 |
| | 1,118 | 600 | (874) | 844 |



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## 11. Analysis of expenditure including governance and support costs

| For the year ended 31 March 2024 | Direct Costs £k | Support Costs £k | Governance Costs £k | Total 2024 £k |
|---|---|---|---|---|
| *Costs of raising funds:* | | | | |
| Donations and legacies | 661 | 173 | 2 | 836 |
| Shops | 1,820 | 476 | 6 | 2,302 |
| Lottery | 198 | - | - | 198 |
| Fundraising and other activities | 157 | 41 | - | 198 |
| *Investment management costs* | 101 | - | - | 101 |
| *Expenditure on charitable activities:* | | | | |
| In-patient care | 3,731 | 846 | 11 | 4,588 |
| Hospice@Home | 1,114 | 291 | 4 | 1,409 |
| Sunflower Wellbeing Hub | 94 | 25 | - | 119 |
| Bereavement and family support | 144 | 37 | - | 181 |
| **Total expenditure** | 8,020 | 1,889 | 23 | 9,932 |

**Support Costs**

| | HR, Health & Safety and Volunteers £k | Finance and Information Systems £k | Administration £k | Total 2024 £k |
|---|---|---|---|---|
| Donations and legacies | 81 | 39 | 53 | 173 |
| Shops | 224 | 108 | 144 | 476 |
| Fundraising activities | 19 | 9 | 13 | 41 |
| In-patient care | 398 | 191 | 257 | 846 |
| Hospice@Home | 137 | 66 | 88 | 291 |
| Sunflower Wellbeing Hub | 12 | 6 | 7 | 25 |
| Bereavement and family support | 18 | 8 | 11 | 37 |
| | 889 | 427 | 573 | 1,889 |

Investment Management costs of £101k included £6k paid to investment consultants who advised on policy rather than managed funds.



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As a comparative, the expenditure for the prior year is shown below on the same basis:

| For the year ended 31 March 2023 | Direct Costs £k | Support Costs £k | Governance Costs £k | Total 2023 £k |
|---|---|---|---|---|
| *Costs of raising funds:* | | | | |
| Donations and legacies | 610 | 170 | 1 | 781 |
| Shops | 1,502 | 409 | 3 | 1,914 |
| Lottery | 196 | - | - | 196 |
| Fundraising and other activities | 124 | 34 | - | 158 |
| *Investment management costs* | 80 | - | - | 80 |
| *Expenditure on charitable activities:* | | | | |
| In-patient care | 3,361 | 789 | 5 | 4,155 |
| Hospice@Home | 946 | 263 | 2 | 1,211 |
| Bereavement and family support | 153 | 42 | - | 195 |
| **Total expenditure** | 6,972 | 1,707 | 11 | 8,690 |

**Support Costs**

| | HR, Health & Safety and Volunteers £k | Finance and Information Systems £k | Administration £k | Total 2023 £k |
|---|---|---|---|---|
| Donations and legacies | 83 | 40 | 47 | 170 |
| Shops | 201 | 97 | 111 | 409 |
| Fundraising activities | 17 | 8 | 9 | 34 |
| In-patient care | 388 | 188 | 213 | 789 |
| Hospice@Home | 129 | 63 | 71 | 263 |
| Bereavement and family support | 21 | 10 | 11 | 42 |
| | 839 | 406 | 462 | 1,707 |



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## 12. Net income for the year

**This is stated after charging:**

| | 2024 | 2023 |
|---|---|---|
| | £k | £k |
| Depreciation of tangible fixed assets | 252 | 186 |
| Auditor's remuneration: | | |
| - Audit fees | 22 | 13 |
| - Non audit services | 2 | 1 |
| Operating lease rentals – land and buildings and equipment | 205 | 195 |
| Profit on disposal of fixed assets | - | (7) |

Of the total £22k audit fee, £20k related to the current auditor and £2k to the previous auditor.

## 13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

| | 2024 | 2023 |
|---|---|---|
| | £k | £k |
| Wages and salaries | 6,265 | 5,583 |
| Social security costs | 572 | 522 |
| Pension costs | 742 | 646 |
| | 7,579 | 6,751 |

The number of employees who received employee benefits during the year in excess of £60,000, classified within bands of £10,000 is:

| | 2024 | 2023 |
|---|---|---|
| £60,001 - £70,000 | 1 | 4 |
| £70,001 - £80,000 | 3 | 1 |
| £80,001 - £90,000 | - | - |
| £90,001 - £100,000 | - | 1 |
| £100,000 - £110,000 | 1 | - |
| £110,000 - £120,000 | 1 | 1 |

The key management personnel of the charity and the group comprise the Trustees, the Chief Executive, Director of Clinical Services, Director of People, Director of Income Generation, Medical Director and Director of Finance & Corporate Services. The total employee benefits of the key management personnel of the charity including on-costs were £617k (2023: £624k).

The charity Trustees were not paid and did not receive any employee benefits from the charity or its subsidiary in the year (2023: £nil). Costs of travel (£83) to the Hospice UK conference were reimbursed to one trustee, Prof Kate Flemming (2023: £nil).

No charity Trustee received payment for professional or other services supplied to the charity (2023: £nil).

Staff costs included a termination payment of £18,005 (2023: nil).



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**NHS Pension Scheme**
Eligible staff are able to remain in the NHS Pensions Scheme as if they were still in the employment of an employing authority. The NHS Pension Scheme is an unfunded occupational pension scheme backed by the Exchequer, which is open to all NHS employees and employees of approved organisations. The scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The scheme receives contributions from employers and employees to defray the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of benefits payable, and the basis for valuations under these provisions, can be found on the NHS Pensions website at www.nhsbsa.nhs/pensions.

In the year ended 31 March 2024, the charity made contributions to the NHS Pension Scheme totalling £377k (2023: £375k). Employer contributions were 20.68% and employee contributions were in the range of 5.1% to 13.5% of pensionable pay.

**Other Pension Schemes**
Other employees are entitled to join a defined contribution scheme. The contribution rates to the defined contribution scheme are 9% of pensionable pay for the employer and 5% of pensionable pay for the employees. The charity uses this scheme to meet the requirements of auto-enrolment legislation using the same contribution rates.

In the year ending 31 March 2024, the charity paid contributions to the schemes totalling £365k (2023: £271k).

## 14. Staff numbers

The average monthly head count and the average monthly number of full-time equivalent staff (including part-time workers) during the year were as follows:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Head Count | Full Time Equivalent | Head Count | Full Time Equivalent |
| Charitable services | 122 | 106 | 118 | 98 |
| Income generation, including shops | 70 | 53 | 60 | 50 |
| Support services | 29 | 24 | 22 | 19 |
| | 221 | 183 | 200 | 167 |

## 15. Government grants

Income from government grants comprises grants from local Integrated Care Boards to support the provision of care. More information is shown in notes 5 and 6 of the financial statements.

## 16. Taxation

The Hospice is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Hospice is entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising and no tax charge arises on the charity.

The trading subsidiary is dormant but any activity would be liable to corporation tax on its chargeable profits. Current tax, including UK Corporation and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary are gift aided to the parent charitable company within 9 months of the year end, no corporation tax arises.



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## 17. Tangible fixed assets

### The Charity and the Group

| | Freehold Property £k | Leasehold Improvements £k | Retail Point of sale System £k | Plant £k | Fixtures Fittings & Equip £k | Medical Equip £k | Motor Vehicles £k | Totals £k |
|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | |
| At 1 April 2023 | 6,601 | 52 | 38 | 91 | 223 | 191 | 174 | 7,370 |
| Additions | - | 94 | - | 6 | 55 | 15 | - | 170 |
| Disposals | - | (14) | - | - | (37) | (17) | - | (68) |
| At 31 March 2024 | 6,601 | 132 | 38 | 97 | 241 | 189 | 174 | 7,472 |
| **Depreciation** | | | | | | | | |
| At 1 April 2023 | 2,351 | 35 | 31 | 39 | 177 | 113 | 140 | 2,886 |
| Charge for the year | 172 | 14 | 7 | 8 | 22 | 14 | 15 | 252 |
| On Disposals | - | (14) | - | - | (37) | (17) | - | (68) |
| At 31 March 2024 | 2,523 | 35 | 38 | 47 | 162 | 110 | 155 | 3,070 |
| **Net Book Values** | | | | | | | | |
| At 31 March 2024 | 4,078 | 97 | - | 50 | 79 | 79 | 19 | 4,402 |
| At 31 March 2023 | 4,250 | 17 | 7 | 52 | 46 | 78 | 34 | 4,484 |

Freehold property includes non-depreciable land with a book value of £369k (2023: £369k).

## 18. Fixed asset investments

| | The Charity and the Group | |
|---|---|---|
| **Investments** | **2024** | **2023** |
| | **£k** | **£k** |
| Market value at 1 April 2023 | 17,008 | 14,909 |
| Additions at cost | 1,546 | 2,728 |
| Disposal proceeds | (1,300) | - |
| | 17,254 | 17,637 |
| Realised and unrealised investment gains | 836 | (551) |
| Investment management costs | (94) | (78) |
| Charges within valuation | - | - |
| Market value at 31 March 2024 | 17,996 | 17,008 |

The historic cost of investments at 31 March 2024 was £12,582k (2023: £12,312k).



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**UK Investment Property**

| | 2024 | 2023 |
|---|---|---|
| | £k | £k |
| Market value at 1 April 2023 | 105 | 105 |
| Unrealised gain on revaluation | 30 | - |
| Market value at 31 March 2024 | 135 | 105 |

The property was revalued in February 2024 by Countrywide Estate Agents Ltd, with the property adjudged to have increased in value by £30k to £135k.

The historic cost of investment property at 31 March 2024 was £16k (2023: £16k).

The total carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £18,131k (2023: £17,113k).

## Investment in subsidiary

| | The Charity | |
|---|---|---|
| | 2024 | 2023 |
| | £ | £ |
| Shares at cost | 100 | 100 |

The charity owns 100% of the share capital of St. Leonard's Hospice Enterprises Limited, whose results and year-end position are detailed in note 6.

**19. Stock**

| | Charity | | Group | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £k | £k | £k | £k |
| Goods for resale | 13 | 16 | 13 | 16 |

**20. Debtors**

| | Charity | | Group | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £k | £k | £k | £k |
| Trade debtors | 25 | 34 | 25 | 34 |
| Amount owed by subsidiary | - | 33 | - | - |
| Other debtors | 75 | 69 | 75 | 69 |
| Prepayments | 160 | 140 | 160 | 140 |
| Accrued income | 2,805 | 2,300 | 2,805 | 2,300 |
| | 3,065 | 2,576 | 3,065 | 2,543 |

| | Charity | |
|---|---|---|
| **Amounts Owed by Subsidiary** | 2024 | 2023 |
| | £k | £k |
| Due within one year | - | 13 |
| Capital Loan | - | 20 |
| | - | 33 |

The subsidiary ceased to trade in 2023 and is now dormant.



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## 21. Creditors: amounts falling due within one year

| | Charity | | Group | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | £k | £k | £k | £k |
| Trade creditors | 178 | 160 | 178 | 159 |
| Taxes and social security costs | 140 | 123 | 140 | 123 |
| Pension creditors | 85 | 71 | 85 | 71 |
| Other creditors | 1 | - | 1 | - |
| Accruals | 60 | 47 | 60 | 49 |
| Deferred Income | 40 | 74 | 40 | 74 |
| | 504 | 475 | 504 | 476 |

**Analysis of change in deferred income**

| | At 31 March 2023 | Released during year | Deferred | At 31 March 2024 |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Deferred Income | 74 | (74) | 40 | 40 |

The primary component of deferred income at March 2024 is future credits for lottery entries (£37k), as well as sponsorship for events taking place after March 2024.

## 22. Contingent assets – legacy income

At 31 March 2024, the charity had been notified of its entitlement to 2 (2023: 5) residuary and life interest legacies with probate granted, the value of which is uncertain due to either insufficient information being available or due to potential claims on the estate. At the date when the accounts were signed, no further information had been received and so these legacies have either not been accrued or not been accrued in full.

## 23. Analysis of group net assets between funds

| Fund balances at 31 March 2024 are represented by: | Unrestricted General Funds | Unrestricted Designated Funds | Restricted Funds | Total |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Tangible fixed assets | - | 4,402 | - | 4,402 |
| Investments | 7,131 | 11,000 | - | 18,131 |
| Current assets | 2,889 | - | 704 | 3,593 |
| Current liabilities | (504) | - | - | (504) |
| **Total net assets** | 9,516 | 15,402 | 704 | 25,622 |

| Fund balances at 31 March 2023 are represented by: | Unrestricted General Funds | Unrestricted Designated Funds | Restricted Funds | Total |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Tangible fixed assets | - | 4,484 | - | 4,484 |
| Investments | 8,113 | 9,000 | - | 17,113 |
| Current assets | 2,518 | - | 844 | 3,362 |
| Current liabilities | (476) | - | - | (476) |
| **Total net assets** | 10,155 | 13,484 | 844 | 24,483 |



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### 24. Post balance sheet events

There have been no significant events since March 2024.

### 25. Capital commitments (group and charity)

At 31 March 2024, capital commitments amounted to £nil (2023: £nil).

### 26. Operating Lease Commitments (group and charity)

At 31 March 2024, the group and the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows: -

| | 2024 Land & Buildings | 2023 Land & Buildings | 2024 Other | 2023 Other |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Due within one year | 170 | 140 | 1 | 1 |
| Due between two and five years | 367 | 190 | - | - |
| Due after 5 years | - | 4 | - | - |
| | 537 | 334 | 1 | 1 |

### 27. Related party transactions

During the year, the sole transaction with the subsidiary was the transfer of £50k of bank balances from St. Leonard's Hospice Enterprises Limited to St. Leonard's Hospice York.

At 31 March 2024, there was no liability between the Hospice and St. L eonard's Hospice Enterprises Limited (2023: £23k owed to St. Leonard's Hospice York). In 2023 St. Leonard's Hospice York was due an amount of £20k in respect of a loan in favour of St. L eonard's Hospice Enterprises Limited.

There were no transactions between the charity and its Trustees during the year that required disclosing as related party transactions under FRS 102, other than those disclosed in Note 13.



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## 28. Reconciliation of net movement in group funds to group net cash flow from operating activities

| | 2024 £k | 2023 £k |
|---|---|---|
| Net movement in funds | 1,139 | (645) |
| **Adjustments for:** | | |
| Dividends, interest and rents from investments | (587) | (391) |
| Revaluation of investment property | (30) | - |
| Unrealised (gains)/losses on investments | (836) | 551 |
| Depreciation charges | 252 | 186 |
| Profit on sale of fixed assets | - | (7) |
| Investment management charges deducted from Portfolio | 94 | 78 |
| Decrease in stocks | 3 | 1 |
| Decrease/(Increase) in debtors | (433) | 819 |
| Increase in creditors | 29 | 42 |
| **Net cash provided by operating activities** | **(369)** | **634** |

**Analysis of changes in net funds**

| | At 31 March 2023 £k | Cash flow £k | At 31 March 2024 £k |
|---|---|---|---|
| Cash and cash equivalents | **803** | (288) | **515** |

The group has no debt in the current or previous year.



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### 29. Comparative Statement of Financial Activities

**Consolidated Statement of Financial Activities (Including Income and Expenditure Account) for the year ending 31 March 2023**

| | Unrestricted Funds £k | Restricted Funds £k | Total Funds 2023 £k |
|---|---|---|---|
| **Income from:** | | | |
| Donations and legacies | 2,668 | 217 | 2,885 |
| *Income from charitable activities:* | | | |
| Grants and contract income | 1,769 | 383 | 2,152 |
| *Income from other trading activities:* | | | |
| Shops | 2,477 | - | 2,477 |
| Lottery | 398 | - | 398 |
| Fundraising activities | 293 | - | 293 |
| Investment Income | 391 | - | 391 |
| **Total income** | **7,995** | **600** | **8,595** |
| **Expenditure on:** | | | |
| *Costs of raising funds:* | | | |
| Donations and legacies | 781 | - | 781 |
| Shops | 1,914 | - | 1,914 |
| Lottery | 196 | - | 196 |
| Fundraising activities | 158 | - | 158 |
| Investment Management Costs | 80 | - | 80 |
| *Expenditure on charitable activities:* | | | |
| In-patient Care | 3,962 | 193 | 4,155 |
| Sunflower Centre | - | - | - |
| Hospice@Home | 530 | 681 | 1,211 |
| Bereavement and Family Support | 195 | - | 195 |
| **Total expenditure** | **7,816** | **874** | **8,690** |
| **Net income before other recognised gains** | **179** | **(274)** | **(95)** |
| Realised and unrealised gains on investments | (551) | - | (551) |
| **Net income** | **(372)** | **(274)** | **(646)** |
| Total funds brought forward | 24,010 | 1,118 | 25,128 |
| **Total funds carried forward** | **23,638** | **844** | **24,482** |



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**ST. LEONARD'S HOSPICE YORK**

England & Wales - Charity number 509294

# Accounts

# St. Leonard's Hospice York

(A company limited by guarantee)

Registered Charity No. 509294
Company No. 01451533

**Annual Report and Consolidated Financial Statements**

**for the year ending 31 March 2023**

# St. Leonard's Hospice York

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# St. Leonard's Hospice York

**Report and financial statements for the year ending 31 March 2023**

## Foreword from the Chair and Chief Executive

The Trustees' Annual Report and audited financial statements for the year ending 31 March 2023 provide a summary of what our Hospice has achieved in delivering its strategic aims and responding to the needs of our local community.

In view of the unprecedented challenges that have been faced in recent years, the Board is very proud of the outstanding care that has been provided to patients and their families and is pleased with the charity's overall financial performance.

As a result of prudent financial management and strong legacy donations, the Hospice has built up good reserves and remains in a resilient financial position. We can be confident, therefore, that despite the uncertainty of some income streams and inflationary cost increases, we can continue to provide high quality and safe end of life care to those who need our services, and we continue to develop ways to reach more of our community that increasingly needs our care and support.

During this year, the Hospice has continued to see the benefits of strong appointments to both the Senior Management Team and wider Hospice management group. There continues to be a strong income generation performance and it is encouraging to see retail income continuing to grow for the benefit of our patients and families.

The Board of Trustees has worked closely with the senior team to meet the sector-wide challenges of workforce recruitment and retention, reviewing rewards and recognition and ensuring salaries are maintained in line with local NHS providers.

These ongoing recruitment challenges have limited the availability of patient beds during the year, but we have been able to mitigate this through a more robust system of patient assessment and continued growth and development of our range of community services, including the expansion of our Hospice @ Home service.

Following ongoing scrutiny of the organisation as a result of heightened publicity in 2021, we underwent a comprehensive CQC inspection in April 2022 and were rated as "Good" overall. We were also pleased to receive a "Good" rating in the safety category of the report. The CQC highlighted some areas of improvement to be made in relation to the well-led element of inspection and immediate and significant progress has been made.

This year, the Board welcomed as Trustees Kate O'Connell and Melanie Kay, who bring a wealth of experience and skill.

On behalf of the Board of Trustees and Senior Management Team, we would like to thank our donors and supporters for their energy and commitment to ongoing fundraising, and the Hospice's staff and volunteers for their unwavering commitment to excellence in holistic patient care.

**David Dickson**
**Chair of the Board of Trustees**

**Emma Johnson**
**Chief Executive**

## Report of the Trustees

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2023, which are also prepared to meet the requirements for a directors' and strategic report and financial statements for Companies Act 2006 purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and 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 the Republic of Ireland (FRS 102) (effective 1 January 2019).

### Our purpose and activities

The charitable purpose of St. Leonard's Hospice York is to promote the relief of sickness by such charitable means as the charity shall from time to time think fit.

Our mission is to provide excellent care and support to those living with life-limiting illness and to the people they care about, to enrich their lives and to contribute to the ongoing development of end-of-life care.

St. Leonard's Hospice cares for patients who have advanced, progressive and life-limiting illnesses. Our aim is to maintain and enhance their quality of life. We place the patient at the centre of everything we do, recognising that patients have the right to be consulted and to be involved in decisions about their care.

We believe that our patients should receive holistic care, meaning that in addition to their physical problems, their psychological, emotional and spiritual needs should be met in the course of their care.

Our aim is to create an environment of openness and honesty where feelings can be shared and received with sensitivity and understanding.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. St. Leonard's benefits the public living in its catchment area by providing specialist palliative care, without charge, for those with life-limiting illnesses. The catchment area includes, but is not exclusive to, the communities of Easingwold, Pocklington, Selby, Sherburn in Elmet, Stamford Bridge, Tadcaster, North and West Ryedale and York.

The restrictions of the pandemic were eased during the year, and while Infection and Prevention Control (IPC) continued, the Hospice was able to increase its capacity for patients, caring for 220 in-patients compared to 184 in 2022. Available beds were limited by staffing levels, with sector-wide shortages of clinical staff during the year limiting beds to between 12 and 14 compared to a potential maximum of 20. Our Hospice@Home service, which works collaboratively with other primary care services and enables patients to remain in their own homes, received 651 referrals during the year (2022: 670), and provided 5,888 hours of care (2022: 6,145).

The Sunflower Centre was closed in 2020 at the outset of the pandemic, and at the end of the year remained suspended. The pandemic had a significant impact on the preferences of people living with life-limiting illness, and in light of this we undertook a major outreach project to consult our community with the aim of understanding how best to use our resources to deliver the best services to the widest number of people. Since the end of the year we have implemented our findings from that project, with the opening in May 2023 of the Wellbeing Hub, which will provide wellbeing facilities for our community. In January 2023 we also initiated a carer support service, which has been designed to give carers of fast-track patients a much-needed break.

Since 2020, we have been a Project ECHO (Extension of Community Healthcare Outcomes) teaching/training hub in collaboration with St. Catherine's Hospice. The project drew to a close this year at the end of NHS England's funding programme, having enabled training on health and social care to be shared widely during the pandemic. We continue to provide bereavement services (via telephone support) and our Single Point of Coordination service – set up in the wake of the pandemic to help patients to access local services – continues to grow, now handling over 1,500 calls per month.

The Bereavement service continues to develop and explore new ways of supporting families following the death of a loved one. We moved to a telephone support service throughout the pandemic to enable the service to continue through IPC restrictions. We received 115 (2022: 127) referrals during the year resulting in 809 bereavement telephone support sessions.

In April 2022, the Hospice was inspected by the Care Quality Commission (CQC) for the first time since 2016 and achieved a 'Good' rating. Although this was a lower grade than the 'outstanding' rating achieved previously, the 2022 inspection was assessed under the more exacting standards of the acute hospitals framework, as opposed to the care home framework of 2016. The report highlighted that the Hospice delivers high quality, inclusive, personalised care. There is a clear focus on putting the individual needs of patients and families first, treating them with compassion, kindness, and supporting them in making decisions. The Hospice continues to strive for excellence and will aim for an 'outstanding' rating when next assessed. In order to achieve this, we have addressed the recommendations of the CQC report, including revising our trustee recruitment procedure and appointing a "Freedom to Speak Up Guardian" in October 2022.

The strategies employed to achieve the charity's aims and objectives as part of a five-year strategic vision are to:

Patients

- Understand the diverse and challenging needs of patients and develop the best possible response to those needs
- Ensure our care is accessible to all those who need it
- Develop services that meet the needs of more people

Partnerships

- Become a whole-system leader for the provision of end-of-life care and specialist palliative care services
- Lead and encourage collaboration to improve the quality and co-ordination of care for patients across the localities

People

- Ensure that the Hospice is an employer of choice
- Broaden and deepen the provision of staff wellbeing
- Develop an organisational culture of learning and engagement

Finance

- Secure long term financial sustainability
- Review reserves policy alongside the development of services to address unmet need

Income

- Increase income through retail, donations, weekly prize draw and legacies
- Develop a broader integrated brand and marketing approach

During the year ended 31 March 2023, our key achievements were:

- Attainment of a CQC 'Good' rating under a new framework of higher standards
- Our response to elevated demand on the NHS over the winter period, which provided additional patient beds to help reduce hospital admissions
- Implementation of the new carer support service, which has helped to alleviate pressure on carers
- Inception of a Digital Transformation project, which will equip staff with the systems they need to work more effectively
- A financial operational deficit of less than £0.1m that represented a positive performance in the context of the challenges of high inflation, a cost-of-living crisis, and the withdrawal of Covid-19 grants that had provided support throughout the pandemic
- A major outreach project that consulted with the local community to understand their needs and will enable us to adapt our services to cater for those changing needs
- Collaborative work with the new Integrated Care Board in development of the strategy for End-of-Life care
- Establishment of a Workforce Education Learning & Development team, which has helped to improve staff learning and engagement

Our volunteers

The charity gratefully welcomes the unstinting help of 143 (2022: 207) volunteers in the hospice and 237 (2022: 196) volunteers in its shops. This reduction in hospice volunteers reflects a change in measurement so as to include only active volunteers. Volunteers undertake a variety of roles at St. Leonard's and without them we would not be able to continue to provide the high standard of care to patients and families without employing additional staff. We would like to thank all our volunteers for their continued loyal support and service.

## Financial review

The Trustees are satisfied with the charity's financial performance for the year ended 31 March 2023.

The results on the Consolidated Statement of Financial Activities show an operating deficit of £94k. A fall in the value of investment assets amplified the total deficit to £645k.

Total income fell back from the record highs of the prior year, with total income of £8.6m down 21.5% on the prior year. Pandemic-related government funding was not continued in 2023, legacies of £2.1m were below the prior year (-£1.0m), while donations suffered in comparison to a prior year that featured an exceptional single donation of £1.0m.

Annual expenditure increased by £821k due mainly to the increase in cost of patient services (+£384k) as admissions rose following the lifting of pandemic restrictions, and the increased investment in shops (+£218k) as retail income grows to become an increasingly important income stream.

The trading subsidiary company, St. Leonard's Hospice Enterprises Limited, continued to sell bought-in goods and its trading income is recognised in the group results. Due to the low level of income generated by the subsidiary, the decision was made during the year to cease its trade, and sales of bought-in goods will continue through the charity from 1st April 2023. This is permitted under tax regulations and is not anticipated to have a detrimental impact on the financial contribution of new goods.

## Principal funding sources

With the exception of the funding that it receives from Integrated Care Boards (ICBs) and other NHS organisations, St. Leonard's is entirely dependent on the support of the general public through donations, community fundraising, legacies, its lottery, fundraising events and charity shops.

In this financial year, the Hospice received funding totalling £1,907k (2022: £1,851k) from ICBs towards the cost of patient care. This included £340,000 (2022: £340,000) from the Humber and North Yorkshire ICB and City of York Council Better Care Fund to meet the cost of the extended Hospice@Home service, which operates every day up until midnight. This statutory funding will continue to fund the extended service in 2023/24. £475k of pandemic-related hospice grants in 2022 were not repeated in 2023.

## Investment powers and policy

In accordance with the Articles of Association, the Trustees have the power to invest in such investments, securities or property as they see fit. The policy of the Board of Trustees is to invest the monies of the charity cautiously in a broad-based portfolio. The portfolio comprises two investment funds with differing investment objectives and strategies. The first and larger principally equity-based fund aims to achieve long-term capital and income growth that keeps pace with the underlying rate of inflation. This is complemented by a smaller absolute return-based fund designed to achieve positive returns in all market conditions, giving Trustees the ability to draw on the investment without risking significant capital loss. A proportion of the investments are also held in a cash fund. The Trustees regularly review, at least on an annual

basis, the proportion of the investments held in different asset classes. The performance of the portfolio is monitored and assessed in comparison with agreed composite benchmarks.

Fund managers appointed by the Hospice are encouraged to actively engage in Environmental, Social and Governance (ESG) issues. The investment policy was revised in 2023 to ensure that investments continue to be ethical and evolve in line with the short- and long-term strategies of the Hospice.

The Hospice's investments are overseen by the Finance & Investment Committee. Surplus funds are invested in the Sarasin Endowments Fund Class A inc., the CCLA COIF Charities Deposit Fund or the Ruffer Charity Assets Trust. Unrealised losses on investment totalled -£551k, contrasting with strong appreciation in the prior year (+£472k). Although a significant drop (-3%), this compared favourably to the strategic benchmark as investment performance struggled to keep pace with the highest levels of inflation seen in the UK in over 40 years.

**Reserves policy**

St. Leonard's Hospice aims to maintain its free reserves in the range of 18 to 24 months' forward expenditure. In setting its Reserves Policy, the Board of Trustees has considered the Charity Commission guidance in 'CC19 Charities and Reserves' and taken its strategic aims into account. To support its strategic aims, the Board may establish designated funds as appropriate for planned significant capital expenditure projects and new service initiatives.

In setting the target level of free reserves, the Board of Trustees has considered:

- the nature of services provided and the need to provide stakeholders with reassurance about the continuation and development of services for the long-term
- the charity's dependence on, and the volatile nature of, legacy income
- its working capital and cashflow requirements
- the generally fixed nature of its service delivery costs
- the use of reserves to fund planned or unplanned deficits
- a contingency for significant unplanned expenditure
- a contingency for a significant unplanned shortfall in voluntary income and/or the proceeds of income generation activities.

The Reserves Policy is reviewed by the Board of Trustees on an annual basis. The Board adopts a cautious approach to investments while balancing risk and potential returns. The level of funds held by the Hospice at the year-end amounted to £24,483k (2022: £25,128k) and included designated funds of £13,484k (2022: £13,624k) and restricted funds of £844k (2022: £1,118k). After deducting designated funds, restricted funds and funds held as functional assets, the hospice had free reserves of £10,155k (2022: £10,386k). Free reserves are held to allow the Hospice to withstand extraordinary events that significantly impact its income, and they represent 19 months' forward expenditure, (2022: 21 months), within the target range of 18 to 24 months.

**Our approach to fundraising and compliance**

St. Leonard's Hospice is reliant on the goodwill and support of the local community in order to provide its services to patients and their families completely free of charge. The Hospice enjoys a privileged status and an excellent reputation and with this comes a responsibility to maintain the very highest standards.

All income generation activities are undertaken within charity law, Charity Commission regulations, HMRC rules, the Gambling Act, local licensing laws, Advertising Standards Authority rules and data protection laws. This list is not exhaustive.

We continue to be registered with the Fundraising Regulator and are fully compliant with the Fundraising Code of Practice. We comply with all legislative requirements, but also strive to adopt best practice in all that we do.

As part of our fundraising efforts, we may work with commercial businesses, where as part of the activity we may promote and advertise their products in return for a donation or agreed share of profits. When we do so, we enter into a commercial participation agreement setting out specifics to protect our reputation and ensure compliance with relevant legislation.

St. Leonard's has an effective, open and accessible complaints policy, details of which can be found in our reception, within our shops, and on our website. We received no reportable complaints (2022: none) relating to fundraising practices in the year ending 31 March 2023.

**External fundraisers**

We use the service of one external provider to fundraise on our behalf: Starvale Management and Technologies Ltd (Company No: 03723339), who manage and promote the St. Leonard's Hospice Lottery. Plans for recruiting players to the St. Leonard's Hospice Lottery are discussed in advance in consultation with Starvale to ensure compliance and best practice.

Starvale is licensed and regulated by the Gambling Commission; all Starvale representatives receive Gambling Commission training (inclusive of vulnerable persons training) and are trained in and adhere to the Fundraising Regulators Rule Book for Face-to-Face Fundraising. Starvale is audited annually on the Gambling Commission subset of ISO27001:2022. The audit report is available on request.

There were no reportable complaints (2022: no complaints) relating to the activity undertaken by Starvale on behalf of the Hospice. In the year ending 31 March 2023, 50.7% (2022: 50.4%) of the proceeds from weekly draws and seasonal super draws were used to fund the work of the Hospice.

**Responsibility towards the environment**

The Hospice is committed to reducing its environmental impact and continues to develop its environmental strategy. This includes the formation since the year-end of a staff group focused on the sustainability of the Hospice and the tracking of its carbon footprint. The Hospice reduces its energy consumption through solar panels and its environmental impact through a recycling programme and a Cycle to Work scheme.

## Plans for the future

*The Process*
The strategy for St. Leonard's Hospice needs not only to be responsive in the short-term but also to ensure services evolve over time to meet the changing needs of service users. It is vital that the strategy also takes into account the affordability and long-term financial sustainability of the organisation.

The Hospice uses a range of approaches when considering future services and shaping the strategic vision. The Humber and North Yorkshire Integrated Care System (ICS), which was introduced in July 2022 as part of the NHS commissioning restructure, and their strategic plan for end-of-life care is central to our plans. We discuss this with the commissioners and other providers within the Humber & North Yorkshire Integrated Care Board (ICB) and are actively engaged with the local place-based Health & Care partnership board; through this forum we will evaluate the future needs of our local population.

The Trustees play a vital role in formulating the strategic vision through discussions and papers at the Service Development and Governance sub-committees in particular, but also through the annual trustee strategic planning day.

Potential strategic developments are supported by budget proposals and recommendations to the Board of Trustees from relevant sub-committees.

*The Plans*

- Work with the Humber and North Yorkshire ICB to provide more community-focused care to address rising needs in the context of pressure on acute hospitals
- Further develop patient wellbeing services and engagement with the community through the new Wellbeing Hub
- Increase the reach of the Hospice in order to benefit a greater number of patients
- Implement the next stage of our Digital Transformation project, which will enhance our workflows with more efficient systems
- Redevelopment of the hospice building to reflect changing needs, improve sustainability and ensure flexibility for developing future services

# St. Leonard's Hospice York

**Report of the Trustees for the year ending 31 March 2023**

## Reference and administrative details

Charity Number: 509294
Company Number: 01451533
Registered Office: 185 Tadcaster Road, York, YO24 1GL

## Our advisors

| | | |
|---|---|---|
| Auditor | Azets Audit Services Ltd | Triune Court, Monks Cross Drive, York, YO32 9GZ |
| Bankers | National Westminster Bank | 1 Market Street, York, YO1 8SR |
| Solicitors | Hague & Dixon | Bank House, 1 The Square, Stamford Bridge, York, YO41 1AG |
| | Lupton Fawcett | Stamford House, Piccadilly, York, YO1 9PP |
| Investment Managers | Sarasin & Partners LLP | Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU |
| | Ruffer LLP | 80 Victoria Street, London, SW1E 5JL |
| | CCLA | Senator House, 85 Queen Victoria Street, London, EC4V 4ET |

### Key management personnel: St. Leonard's Hospice York

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees and officers serving during the year and since the year end were as follows:

| | |
|---|---|
| Trustees and directors: | David Dickson (Chair)<br>Sandra Falcus<br>Prof Kate Flemming<br>Khushbu Goulden<br>Juliette Healey<br>Prof Mike Holmes<br>Eamonn Keogh<br>Jacqueline Myers<br>Dr Lavinia Norton<br>Tony Taylor<br>Melanie Kay (appointed October 2022)<br>Kate O' Connell (appointed November 2022)<br>Lorna Allan (appointed June 2023)<br>Dr Dan Cottingham (resigned June 2022) |
| Company Secretary: | David Jones |

| | | |
|---|---|---|
| Senior Management Team: | Emma Johnson | (Chief Executive) |
| | Ingrid Jenner | (Director of People) |
| | David Jones | (Director of Finance & Corporate Services; appointed September 2022) |
| | Dr Bill Hulme | (Medical Director) |
| | Dawn Clements | (Director of Income Generation; resigned July 2023) |
| | Jenny Brandom | (Director of Clinical Services; resigned February 2023) |
| | Anne-Marie Roberts | (Director of Clinical Services; appointed March 2023) |

### Key management personnel: St. Leonard's Hospice Enterprises Limited

| | | |
|---|---|---|
| Directors: | Juliette Healey | (Chair) |
| | David Dickson | |
| | Mark Shepherd | (resigned October 2022) |
| | Tony Taylor | (appointed October 2022) |
| Company Secretary: | David Jones | |

## Structure, governance and management

### Governing document
St. Leonard's Hospice York is a company limited by guarantee governed by its Articles of Association, which were last amended by Special Resolution on 29 October 2019.

### Appointment of Trustees
The Hospice has a robust and transparent process for the recruitment of Trustees that plays a crucial role in ensuring the Board can draw on a diverse range of skills, expertise, experience and backgrounds and that the Board is as representative of the community we serve as possible. This is an area, however, where the CQC has made recommendations for improvement; following the inspection, we have addressed these issues and made changes to ensure we can demonstrate full compliance with the fit and proper person regulation (FPPR).

Recruitment to the Board is a two-stage process. Firstly, we invite members of the public who are prepared to act as a voluntary trustee to express an interest and undertake our selection process. Successful applicants are recorded on our Register of Potential Future Trustees. Secondly, the Board identifies a vacancy and invites an individual on the Register of Potential Future Trustees to fill the vacancy. It is usual for potential future trustees to serve as a co-opted member of one of the sub-committees of the Board before becoming a trustee.

Full information about the recruitment process for Trustees including our Recruitment and Appointment of Trustees policy is published on our website www.stleonardshospice.org.uk. Trustees are, if appropriate, re-appointed by the Board at the end of each three-year term and Trustees must retire after serving for 12 consecutive years. The maximum term of service exceeds the 9 years recommended by the Charity Governance Code. However, the Board of Trustees has agreed that a longer maximum term of service is more appropriate for a local service delivery charity like St. Leonard's and enables it to achieve the optimum balance of skills and experience on the Board.

### Trustee induction and training

St. Leonard's operates an induction process for new Trustees to prepare them for their role. Trustees participate in in-house training programmes and attend external courses as necessary. They also attend meetings and conferences with their counterparts from other UK hospices and charities.

### Organisation and governance

The Board of Trustees administers the charity. The Board normally meets quarterly and in addition holds an annual Strategy Day. Sub-committees (Finance & Investment, Governance, Membership, People & Culture, Income Generation and Service Development) meet between 2 and 6 times a year. Sub-committees are made up of Trustees with the appropriate knowledge and experience, along with outside advisors be they paid or voluntary where the committee deem it necessary.

The Board reviews its performance annually through a confidential board consultation and review exercise conducted by a trustee member of the Membership Committee.

The Board of Trustees is committed to compliance with the principles and recommended practice of the Charity Governance Code, supported by the benchmarking of Hospice policies, practices and procedures against the Code.

The Chief Executive and senior management team are appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive and the senior management team under the direction of the Chief Executive have delegated authority for operational matters under the scheme of delegation.

**Related parties and co-operation with other organisations**
None of the Trustees receive remuneration or any other benefits from their work with the charity.

Any connection between a Trustee, co-opted committee member or member of the senior management team, and a supplier, funder, supporter, organisation working collaboratively with, or beneficiary of the charity must be disclosed to the Board of Trustees in the same way as any other contractual relationship with a related party.

St. Leonard's works collaboratively with a number of organisations including other local hospices and local healthcare providers. In doing so, our aim is to improve palliative and end of life care for local people.

The Hospice is also represented on:

- Member of Hospice UK
- Yorkshire Hospices Forum
- Forum of Hospice Chairs
- NHS North Yorkshire and York Partnership End of Life Locality Group
- East Riding and Hull Partnership End of Life Locality Group
- York Health and Care Partnership Board

In the year ending March 2023, the charity's wholly-owned subsidiary company, St. Leonard's Hospice Enterprises Limited, traded on the charity's behalf to generate income from trading activities including the sale of Christmas cards and fancy goods, which are outside the charity's objects and are for commercial and fundraising purposes.

## Pay policy for senior staff

The pay of the Chief Executive and senior management team is reviewed annually by the Board of Trustees. During the year, in light of recruitment challenges arising from sector-wide staff shortages, a pay increase was applied to all staff that bettered the NHS Pay Award by 1%.

## Risk management

The Trustees have identified resources and established review systems to manage organisational risk.

The Governance committee of the Board receives regular reports covering the management of clinical, health & safety, information and other risks, along with notification of any matters reported to any regulatory authority. Financial risks are reported via the Finance & Investment Committee.

The Hospice operates a robust control environment to ensure compliance with legislation, regulations and best practice, principally that which is outlined in Charity Commission guidance. Controls are outlined in a full suite of policies and procedures, which are reviewed regularly by senior management.

The Trustees maintain a register of the risks faced by the charity and its subsidiary. The risk register is continually reviewed by the Senior Management Team, by the Governance Committee and Finance & Investment Committee on a quarterly basis and by the board on an annual basis. The risk register records the risks that may arise in each area of the charity's operation, along with the policies, systems and procedures in place to mitigate them.

Risks are identified, assessed, and scored according to their likelihood and impact. Appropriate steps are then taken to mitigate them in day-to-day operations.

The principal challenges and uncertainties faced by the Hospice at the time of writing are as follows:

- Recruitment of new staff amid a widespread shortage of staff in the health/care sectors
- Computer network failure or cyber attack
- Achieving sustainable funding as opposed to the current significant reliance on unpredictable legacy income
- Potential reputational damage from an unanticipated negative event

## Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also Directors of St. Leonard's Hospice York for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare annual financial statements that give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and 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 financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement as to disclosure to our auditors**
In so far as the Trustees are aware at the time of approving the annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps required as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**
The appointment of the auditor, Azets Audit Services Limited, is subject to periodic review following the year-end.

The Trustees' Report, which includes the Strategic Report, was approved by the Board of Trustees and signed on its behalf by:

**David Dickson**
**Chair of Trustees**

29/11/2023
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# St. Leonard's Hospice York

**Independent Auditor's Report for the year ending 31 March 2023**

## Opinion

We have audited the financial statements of St. Leonard's Hospice York (the "parent charity") and its subsidiary (the "group") for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the related Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2023 and of 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 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 Ethical Standard of the Financial Reporting Council (FRC), 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 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

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

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the Trustees**
As explained more fully in the trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

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

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.

**Extent to which the audit was considered capable of identifying irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the society through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias;
- Performing audit work over the timing and recognition of income and in particular whether it has been recorded in the correct accounting period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or

regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Alan Sidebottom*

Alan Sidebottom (Senior Statutory Auditor)
For and on behalf of Azets Audit Services Limited
Chartered Accountants
Statutory Auditor

05/12/2023
.....
Triune Court
Monks Cross Drive
York
YO32 9GZ

# St. Leonard's Hospice York

## Consolidated Statement of Financial Activities for the year ending 31 March 2023

| | Notes | Unrestricted Funds £k | Restricted Funds £k | Total Funds 2023 £k | Total Funds 2022 £k |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 4 | 2,668 | 217 | 2,885 | 5,153 |
| *Income from charitable activities:* | | | | | |
| Grants and contract income | 5 | 1,769 | 383 | 2,152 | 2,475 |
| *Income from other trading activities:* | | | | | |
| Shops | 6 | 2,477 | - | 2,477 | 2,128 |
| Lottery | 7 | 398 | - | 398 | 387 |
| Fundraising and other activities | 8 | 293 | - | 293 | 394 |
| Investment Income | 9 | 391 | - | 391 | 407 |
| **Total income** | | **7,996** | **600** | **8,596** | **10,944** |
| **Expenditure on:** | | | | | |
| *Costs of raising funds:* | | | | | |
| Donations and legacies | 11 | 781 | - | 781 | 592 |
| Shops | 6 | 1,914 | - | 1,914 | 1,696 |
| Lottery | 7 | 196 | - | 196 | 192 |
| Fundraising and other activities | 8 | 158 | - | 158 | 151 |
| Investment Management Costs | 11 | 80 | - | 80 | 81 |
| *Expenditure on charitable activities:* | | | | | |
| In-patient Care | 11 | 3,962 | 193 | 4,155 | 3,771 |
| Hospice@Home | 11 | 530 | 681 | 1,211 | 1,134 |
| Bereavement and Family Support | 11 | 195 | - | 195 | 252 |
| **Total expenditure** | 11 | **7,816** | **874** | **8,690** | **7,869** |
| **Net income/ (expenditure) before other recognised gains/ (losses)** | | **180** | **(274)** | **(94)** | **3,075** |
| Realised and unrealised gains/ (losses)on investments | 18 | (551) | - | (551) | 472 |
| **Net income/ (expenditure) and net movement in funds** | | **(371)** | **(274)** | **(645)** | **3,547** |
| Total funds brought forward | | 24,010 | 1,118 | 25,128 | 21,581 |
| **Total funds carried forward** | 23 | **23,639** | **844** | **24,483** | **25,128** |

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

A fully detailed comparative Statement of Financial Activities for the year ending 31 March 2022 is shown at note 29.

# St. Leonard's Hospice York

## Balance Sheets as at 31 March 2023

| | Notes | Charity 2023 £k | Charity 2022 £k | Group 2023 £k | Group 2022 £k |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | **17** | 4,484 | 4,624 | 4,484 | 4,624 |
| Investments | **18** | 17,008 | 14,909 | 17,008 | 14,909 |
| Investment properties | **18** | 105 | 105 | 105 | 105 |
| **Total fixed assets** | | 21,597 | 19,638 | 21,597 | 19,638 |
| **Current assets** | | | | | |
| Stock | **19** | 16 | - | 16 | 17 |
| Debtors | **20** | 2,576 | 3,339 | 2,543 | 3,286 |
| Cash at bank and in hand | | 754 | 2,570 | 803 | 2,621 |
| **Total current assets** | | 3,346 | 5,909 | 3,362 | 5,924 |
| **Liabilities** | | | | | |
| Creditors falling due within one year | **21** | (475) | (432) | (476) | (434) |
| **Net current assets** | | 2,871 | 5,477 | 2,886 | 5,490 |
| **Net assets** | **23** | **24,468** | **25,115** | **24,483** | **25,128** |
| **The funds of the charity** | | | | | |
| **Unrestricted Funds:** | | | | | |
| Unrestricted general funds | | 10,140 | 10,373 | 10,133 | 10,369 |
| Unrestricted designated funds | | 13,484 | 13,624 | 13,484 | 13,624 |
| Non-charitable trading funds | | - | - | 22 | 17 |
| | | 23,624 | 23,997 | 23,639 | 24,010 |
| **Restricted income funds** | **10** | 844 | 1,118 | 844 | 1,118 |
| **Total charity funds** | **23** | **24,468** | **25,115** | **24,483** | **25,128** |

The notes on pages 22 - 42 form part of these financial statements.

The financial statements were approved by the Board on 29/11/2023 and signed on its behalf by:

David Dickson
**Chair of Trustees**

Juliette Healey
**Trustee**

**Company registration number: 01451533**

# St. Leonard's Hospice York

## Consolidated Statement of Cash Flows for the year ending 31 March 2023

| | Notes | 2023<br>£k | 2022<br>£k |
|---|---|---|---|
| **Net cash provided by operating activities** | **28** | **634** | **1,557** |
| **Cash flows from investing activities:** | | | |
| Dividends, interest and rent from investments | | 315 | 331 |
| Purchase of property, plant and equipment | | (56) | (46) |
| Proceeds from the sale of property, plant and equipment | | 17 | - |
| Payments to acquire investments | | (2,728) | (501) |
| Proceeds from the disposal of investments | | - | 500 |
| **Net cash (used in)/ provided by financing activities** | | **(2,452)** | **284** |
| **Change in cash and cash equivalents in the year** | | **(1,818)** | **1,841** |
| Cash and cash equivalents at the start of the year | | 2,621 | 780 |
| **Total cash and cash equivalents at the end of the year** | | **803** | **2,621** |
| **Analysis of cash and cash equivalents** | | | |
| Cash at bank and in hand | | 803 | 2,621 |
| | | **803** | **2,621** |

# St. Leonard's Hospice York

## Notes to the Financial Statements for the year ending 31 March 2023

1. **Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) **Company information**

St. Leonard's Hospice York is a company limited by guarantee, governed by its Articles of Association that were last amended by special resolution on 29 October 2019, and a charity registered in England and Wales. The registered office is 185 Tadcaster Road, York, YO24 1GL.

(b) **Accounting convention**

The financial statements have been prepared on a going concern basis 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 (FRS 102) (effective 1 January 2019) (Charities SORP(FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

St. Leonard's Hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts, the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS 102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

(c) **Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and not less than one year from the date of approval. The Trustees are constantly monitoring the financial position of the charity, in particular with regard to the potential changes to funding following the abolition of the government's Clinical Commissioning Groups and the impact on donations of rising inflation and the cost-of-living crisis. The charity has no borrowings and receives substantial funding from government grants and contracts, of which significant amounts have already been secured for the 2023/24 financial year; its level of reserves give assurance that it can withstand the short-term fluctuations in income that might arise from this uncertainty, although the situation is under continual review. The decision has been made to discontinue the activities of the subsidiary company, St. Leonard's Hospice Enterprises, as of 1st April 2023.

(d) **Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary, St. Leonard's Hospice Enterprises Ltd, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity have not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The result for the year dealt with in the charity's Financial Statements is disclosed in note 3.

(e) **Income**

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

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Hospice that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or part, is only considered probable when the amount can be measured reliably and where the Hospice is not aware of any potential challenge to the estate. 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, the legacy is treated as a contingent asset and disclosed if material (see note 22).

Income received in advance of fundraising events is deferred until the event has taken place and the criteria for income recognition are met.

(f) **Donated goods, services and facilities**

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

In accordance with Charities SORP (FRS 102), the value of volunteer time is not recognised in the financial statements. Please refer to the Trustees' Annual Report for more information.

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

Income from goods donated for sale in the charity's shops is recognised at point of sale. As a result of the high volume of low value donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

(g) **Investment income**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of interest paid or payable.

Rents from investment properties are included when they are receivable by the charity.

Dividend income from investment funds is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of dividends paid or payable.

(h) **Fund accounting**

Unrestricted general funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations or other income that the donor or funder has specified are to be used for particular areas of the charity's work. Unrestricted designated funds have been set aside for fixed assets, capital projects including the redevelopment of the main hospice site into an energy-and space- efficient building adapted to the changing needs of patients, as well as the expansion of our retail estate in order to reduce our dependency on variable legacy income.

(i) **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprise the costs of raising funds from voluntary income and through fundraising activities including events, charity shops and lotteries and their associated support costs.

- Expenditure on charitable activities includes the cost of caring for patients either as in-patients or out-patients at the Hospice or in their own homes through the Hospice@Home service, bereavement and family support and educational activities undertaken to further the purposes of the charity and their associated support costs.
- Investment management costs reflect the cost of managing the Hospice's investment portfolio.
- Other expenditure represents those items not falling under any other heading.

The Hospice is able to reclaim most of the VAT it incurs. A small amount of irrecoverable VAT is included in support costs.

(j) **Allocation of support and governance costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration, finance, human resources, information systems and governance costs that support the services providing care to patients and families.

Governance costs are those that are essential to ensure the effective running of the charity (e.g. audit fees).

Support and Governance costs have been allocated in proportion to the costs incurred directly within each element of the Costs of raising funds and Expenditure on charitable activities as set out in note 11.

(k) **Operating leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

(l) **Pensions**

The charity operates a number of pension arrangements for the benefit of employees, which include both defined benefit and defined contribution schemes. The assets of the schemes are held separately from those of the charity and are invested in either the NHS Pension Scheme, the defined contribution Legal & General Workplace Pension Scheme or the personal pension schemes of certain employees, all of which are run independently of the Hospice. The charge to the Statement of Financial Activities represents the contributions payable by the charity to the schemes during the year.

The defined benefit NHS scheme is an unfunded scheme backed by the exchequer. Employers cannot identify their share of the assets and liabilities. In accordance with FRS 102 the scheme has been accounted for as if it were a defined contribution scheme and contributions are recognised as an expense.

(m) **Staff costs**

The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

(n) **Investments**

Investments (other than investments in subsidiaries) are stated at market value at the balance sheet date.

The investment portfolio (see note 18) is held to generate returns and gains for the charity and accordingly is designated as fair value through profit and loss ("FVTPL"). The portfolio is re-valued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the Statement of Financial Activities.

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured using the fair value model and are stated at their fair value at the reporting date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities. Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

(o) **Tangible fixed assets**

Individual fixed assets costing more than £2,500 are capitalised and included at cost and are depreciated over their estimated useful economic lives in annual instalments, with a full year's charge in the acquisition year and no charge in the year of disposal as follows:

| | |
|---|---|
| Freehold property | 2% Straight Line Basis |
| Leasehold property | Over the period of the lease |
| Retail point of sale system | 20% Straight Line Basis |
| Plant | 5% to10% Straight Line Basis |
| Medical equipment | 10% to 20% Straight Line Basis |
| Furniture, fittings and equipment | 10% to 20% Straight Line Basis |
| Motor vehicles | 20% Straight Line Basis |

Buildings are regularly reviewed for indications of impairment. Where there is an impairment, the difference between the assessed recoverable value of the building and its written down cost is charged to the Statement of Financial Activities.

Freehold land is not depreciated.

Fixed Assets and depreciation charges are treated as designated funds.

(p) **Stock**

Stock of new bought-in goods is valued at the lower of cost and net realisable value.

It is impractical to estimate the fair value of goods donated for sale in the charity's shops due to the high volume and low value of these items, and so such goods are not included on the balance sheet. The value of these goods to the charity is instead recognised when they are sold in the shops.

(q) **Financial instruments**

The provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 are applied to all financial instruments.

(r) **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity held for working capital.

(s) **Debtors and other assets**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

(t) **Creditors, loans and provisions**

Creditors, loans and provisions are recognised where there is 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 estimated reliably. Creditors, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Liabilities are only derecognised when, and only when, obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

(u) **Critical accounting estimates and judgements**

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

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

**Critical estimates**

**Depreciation of tangible assets**

Depreciation policies have been set according to experience of the useful lives of the assets in each category and are reviewed annually.

Expenditure is incurred on creating tangible fixed assets for use in the charity, with costs incurred over a number of months. The Trustees believe it is possible to segregate these costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

**Legacies**

Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and sufficient information is available to allow the measure of entitlement, and it is probable that funds are receivable.

**2. Legal status of the charity**

St. Leonard's Hospice York 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 £1 per member (the charity's trustees are also its members).

### 3. Financial performance of the charity

The consolidated Statement of Financial Activities includes the results of the charity's wholly owned subsidiary, which sells bought-in goods including Christmas cards.

The summary financial performance of the charity alone is:

| | 2023<br>£k | 2022<br>£k |
|---|---|---|
| Income | 8,532 | 10,880 |
| Gift Aid from subsidiary company | 24 | 30 |
| | 8,556 | 10,910 |
| Expenditure | (8,652) | (7,835) |
| **Net income/expenditure** | **(96)** | **3,075** |
| Investment gains | (551) | 472 |
| Total funds brought forward | 25,115 | 21,568 |
| **Total funds carried forward** | **24,468** | **25,115** |
| Represented by: | | |
| Unrestricted income funds | 10,140 | 10,373 |
| Unrestricted designated funds | 13,484 | 13,624 |
| Restricted income funds | 844 | 1,118 |
| | **24,468** | **25,115** |

### 4. Income from donations and legacies

| | 2023<br>£k | 2022<br>£k |
|---|---|---|
| Donations | 787 | 2,015 |
| Legacies | 2,098 | 3,138 |
| | 2,885 | 5,153 |

The Hospice benefits greatly from the involvement of its many volunteers, details of which are given in the Trustees' Annual Report. In accordance with FRS 102, the economic contribution of volunteers is not recognised in the financial statements.

## 5. Income from charitable activities

| | 2023 £k | 2022 £k |
|---|---|---|
| *Grants and contract income from Integrated Care Boards:* | | |
| Inpatient and day services | 1,567 | 1,511 |
| Hospice@Home | 340 | 340 |
| | 1,907 | 1,851 |
| *Other funding:* | | |
| NHS Pension contributions paid directly by NHS England | 114 | 97 |
| COVID-19 grant paid by NHS England | - | 458 |
| Coronavirus Job Retention Scheme | - | 17 |
| Carer Support Service | 63 | - |
| Pharmacy Services | 26 | - |
| Project Echo | 42 | 52 |
| Total income from charitable activities | 2,152 | 2,475 |

Included within the restricted funds is contract income of £340k (2022: £340k) from NHS Humber & North Yorkshire ICB through the Better Care Fund to fund the extended Hospice@Home service, which operates from 8am to midnight, seven days a week.

As the locally-appointed provider, the Hospice received £42k (2022: £52k) of funding as part of Project Echo from Health Education England through Humber Coast and Vale Sustainability and Transformation Plan to engage with other providers to support palliative care in non-hospice settings.

A 6.3% increase in NHS Pension Scheme employer contributions effective from 1 April 2019 was funded centrally by NHS England and is reflected in both income and expenditure on staff costs in these accounts. The cost of the increase was £114k (2022: £97k).

## 6. Income and expenditure from other trading activities - shops

| | 2023 £k | 2022 £k |
|---|---|---|
| Income from the sale of donated goods | 2,414 | 2,029 |
| Income from the sale of bought in goods | 63 | 64 |
| Retail grant (through trading subsidiary) | - | 35 |
| Total income from shops | 2,477 | 2,128 |
| Costs of buying in goods | (34) | (30) |
| Staff costs | (1,059) | (977) |
| Other costs | (821) | (689) |
| Total expenditure on shops | (1,914) | (1,696) |
| Net profit arising from shops | 563 | 432 |

The wholly owned trading subsidiary St. Leonard's Hospice Enterprises Ltd is incorporated in England and Wales (company number 02589172) and donates all its profits to the charity under the gift aid scheme. St. Leonard's Hospice Enterprises Ltd Limited sells bought in goods, including Christmas cards.

The summary financial performance of the subsidiary alone is:

| | 2023 | 2022 |
|---|---|---|
| | £k | £k |
| Trading Income | 63 | 64 |
| Retail grant | - | - |
| Cost of sales and administration costs | (39) | (34) |
| Net profit | 24 | 30 |
| Amount gift aided to the charity | (24) | (30) |
| Retained in subsidiary | - | - |

The assets and liabilities of the subsidiary were:

| | 2023 | 2022 |
|---|---|---|
| | £k | £k |
| Current assets | 60 | 69 |
| Current liabilities | (27) | (36) |
| Capital Loan | (20) | (20) |
| Total net assets | 13 | 13 |
| Aggregate share capital and reserves | 13 | 13 |

In the year to 31 March 2023 a donation of £24k (2022: £30k) was made to the parent charitable company.

**7. Income and expenditure from other trading activities – lottery**

| | 2023 | 2022 |
|---|---|---|
| | £k | £k |
| Income from lottery sales | 398 | 387 |
| Prizes | (37) | (37) |
| Other lottery costs | (159) | (155) |
| | (196) | (192) |
| Total lottery profits | 202 | 195 |

## 8. Income and expenditure from other trading activities - fundraising and other activities

| | 2023 | 2022 |
|---|---|---|
| | £k | £k |
| Fundraising events and activities | 223 | 332 |
| Provision of placements/training courses | 21 | 10 |
| Room hire | 3 | 3 |
| Catering for staff and visitors | 15 | 10 |
| Industrial injury claims for treating patients with mesothelioma | - | 29 |
| Generating electricity | 4 | 3 |
| Sponsorship income | 19 | - |
| Miscellaneous income | 8 | 7 |
| Total income from fundraising activities | 293 | 394 |
| Cost of fundraising events and activities | (158) | (151) |
| Surplus on fundraising events and activities | 135 | 243 |

Sponsorship income generated by fundraising activities is accounted for as donations.

## 9. Investment Income

The charity received investment income from the following sources during the year:

| | 2023 | 2022 |
|---|---|---|
| | £k | £k |
| Dividends | 339 | 399 |
| Rents from investment properties | 6 | 7 |
| Interest on cash deposits | 46 | 1 |
| | 391 | 407 |

## 10. Restricted and unrestricted funds

| Restricted Funds Year ended 31 March 2023 | Movement in Funds | | | |
|---|---|---|---|---|
| | 01-Apr 2022 £k | Income £k | Expenditure £k | 31-Mar 2023 £k |
| Hospice@Home service | 977 | 374 | (666) | 685 |
| Personalised Care Project | 63 | - | (26) | 37 |
| Hospice@Home vehicle | 40 | - | (15) | 25 |
| Workforce development | 2 | 3 | - | 5 |
| Project Echo | - | 43 | (43) | - |
| ACP Funding | 8 | - | - | 8 |
| Equipment Funds | 11 | 2 | (1) | 12 |
| Carer Support Service | - | 63 | (10) | 53 |
| Pharmacy Services | - | 26 | (26) | - |
| Drugs & oxygen | - | 80 | (80) | - |
| Homelessness Project. | 8 | 3 | (2) | 9 |
| Sundry other funds | 9 | 6 | (5) | 10 |
| | 1,118 | 600 | (874) | 844 |

| Restricted Funds Year ended 31 March 2022 | Movement in Funds | | | |
|---|---|---|---|---|
| | 01-Apr 2021 £k | Income £k | Expenditure £k | 31-Mar 2022 £k |
| Hospice@Home service | - | 1,362 | (385) | 977 |
| Personalised Care Project | - | 63 | - | 63 |
| Hospice@Home vehicle | - | 40 | - | 40 |
| Workforce development | 2 | - | - | 2 |
| Project Echo | - | 52 | (52) | - |
| ACP Funding | 8 | - | - | 8 |
| Equipment Funds | 11 | - | - | 11 |
| Service extension/ Covid Co-ordinator | 72 | - | (72) | - |
| NHS England COVID-19 grant | - | 475 | (475) | - |
| Drugs & oxygen | - | 78 | (78) | - |
| Homelessness Project | 9 | 38 | (39) | 8 |
| Sundry other funds | 8 | 5 | (4) | 9 |
| | 110 | 2,113 | (1,105) | 1,118 |

Where a donor specifies that a donation is to fund a particular service e.g. the Hospice@Home service, the funds are restricted and applied to cover the cost of that service.
Donations for the Hospice@Home service in 2022 were boosted by an exceptional £1m donation, and these funds continue to be used in 2023 to expand the scope and reach of the service over a planned 3-year period.

The Personalised Care Project relates to funds received from the Humber & North Yorks Integrated Care Board (ICB) for the purpose of providing a more tailored domiciliary care service to patients and families.

The £40k donation received in 2022 was used in 2023 to purchase a new vehicle that is used to visit patients at the outer reaches of our communities; expenditure against this fund represents depreciation of the vehicle.

In addition to restricted donations, £340k (2022: £340k) of contract income was received from the Better Care Fund through Humber & North Yorks ICB to fund the Hospice@Home service.

The ICB funds the cost of drugs and other pharmaceutical services provided to Hospice patients by York Hospitals NHS Foundation Trust under the arrangements outlined in the Department of Health Executive Letter 94; these totalled £80k during the year. It also began to fund the cost of pharmacy services, totalling £26k during the year.

The ICB also commissioned a new Carer Support Service during the year, which provided £63k of funding. This service will provide valuable breaks and respite for the carers and family of those requiring palliative end-of-life care.

The Hospice is the locally-appointed provider of education through the Hospice UK Project Echo initiative to palliative care providers in non-hospice settings. Heath Education England funds the salary and overhead costs of this project, which reached a conclusion in 2023.

| **Year ended 31 March 2023** | **Movement in Funds** | | | | |
|---|---|---|---|---|---|
| | **01-Apr 2022** | **Income** | **Expenditure** | **Designation** | **31-Mar 2023** |
| | **£k** | **£k** | **£k** | **£k** | **£k** |
| **Unrestricted Funds** | 10,386 | 7,996 | (8,227) | - | 10,155 |
| **Designated Funds** | | | | | |
| Fixed Assets Fund | 4,624 | - | (140) | - | 4,484 |
| Building redevelopment fund | 7,000 | - | - | - | 7,000 |
| Retail development fund | 1,500 | - | - | - | 1,500 |
| Digital transformation fund | 500 | - | - | - | 500 |
| | 24,010 | 7,996 | (8,367) | - | 23,639 |

During the year, the accounting policy for unrestricted funds was changed to allow for the designation of funds set aside for capitalised fixed assets and planned projects for redeveloping the hospice building, the retail estate and the digital infrastructure as outlined in note 1(h) above. The funds in the prior year are restated as below to align with the new accounting treatment:

| **Year ended 31 March 2022** | **Movement in Funds** | | | | |
|---|---|---|---|---|---|
| | **01-Apr 2021** | **Income** | **Expenditure** | **Designation** | **31-Mar 2022** |
| | **£k** | **£k** | **£k** | **£k** | **£k** |
| **Unrestricted Funds** | 21,471 | 9,303 | (6,764) | (13,624) | 10,386 |
| **Designated Funds** | | | | | |
| Fixed Assets Fund | | | | 4,624 | 4,624 |
| Building redevelopment fund | | | | 7,000 | 7,000 |
| Retail development fund | | | | 1,500 | 1,500 |
| Digital transformation fund | - | - | - | 500 | 500 |
| | 21,471 | 9,303 | (6,764) | - | 24,010 |

## 11. Analysis of expenditure including governance and support costs

| For the year ended 31 March 2023 | Direct Costs £k | Support Costs £k | Governance Costs £k | Total 2023 £k |
|---|---|---|---|---|
| *Costs of raising funds:* | | | | |
| Donations and legacies | 610 | 170 | 1 | 781 |
| Shops | 1,502 | 409 | 3 | 1,914 |
| Lottery | 196 | - | - | 196 |
| Fundraising and other activities | 124 | 34 | - | 158 |
| *Investment management costs* | 80 | - | - | 80 |
| *Expenditure on charitable activities:* | | | | |
| In-patient care | 3,361 | 789 | 5 | 4,155 |
| Hospice@Home | 946 | 263 | 2 | 1,211 |
| Bereavement and family support | 153 | 42 | - | 195 |
| **Total expenditure** | 6,972 | 1,707 | 11 | 8,690 |

**Support Costs**

| | HR, Health & Safety and Volunteers £k | Finance and Information Systems £k | Administration £k | Total 2023 £k |
|---|---|---|---|---|
| Donations and legacies | 83 | 40 | 47 | 170 |
| Shops | 201 | 97 | 111 | 409 |
| Fundraising activities | 17 | 8 | 9 | 34 |
| In-patient care | 388 | 188 | 213 | 789 |
| Hospice@Home | 129 | 63 | 71 | 263 |
| Bereavement and family support | 21 | 10 | 11 | 42 |
| | 839 | 406 | 462 | 1,707 |

As a comparative, the expenditure for the prior year is shown below on the same basis:

| For the year ended 31 March 2022 | Direct Costs | Support Costs | Governance Costs | Total 2022 |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| *Costs of raising funds:* | | | | |
| Donations and legacies | 476 | 115 | 1 | 592 |
| Shops | 1,370 | 324 | 2 | 1,696 |
| Lottery | 192 | - | - | 192 |
| Fundraising and other activities | 121 | 30 | - | 151 |
| *Investment management costs* | 81 | - | - | 81 |
| *Expenditure on charitable activities:* | | | | |
| In-patient care | 3,090 | 676 | 5 | 3,771 |
| Hospice@Home | 912 | 220 | 2 | 1,134 |
| Bereavement and family support | 203 | 49 | - | 252 |
| **Total expenditure** | 6,445 | 1,414 | 10 | 7,869 |

**Support Costs**

| | HR, Health & Safety and Volunteers | Finance and Information Systems | Administration | Total 2022 |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Donations and legacies | 54 | 30 | 31 | 115 |
| Shops | 153 | 85 | 86 | 324 |
| Fundraising activities | 14 | 8 | 8 | 30 |
| In-patient care | 319 | 177 | 180 | 676 |
| Hospice@Home | 104 | 57 | 59 | 220 |
| Bereavement and family support | 23 | 13 | 13 | 49 |
| | 667 | 370 | 377 | 1,414 |

## 12. Net income for the year

**This is stated after charging:**

| | 2023 £k | 2022 £k |
|---|---|---|
| Depreciation of tangible fixed assets | 186 | 179 |
| Auditor's remuneration: | | |
| - Audit fees | 13 | 10 |
| - Non audit services | 1 | 13 |
| Operating lease rentals – land and buildings and equipment | 195 | 186 |
| Profit on disposal of fixed assets | (7) | - |

Of the total audit fee, £11k (2022: £8k) related to the charity.

## 13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

| | 2023 £k | 2022 £k |
|---|---|---|
| Wages and salaries | 5,583 | 5,170 |
| Social security costs | 522 | 465 |
| Pension costs | 646 | 587 |
| | 6,751 | 6,222 |

The number of employees who received employee benefits during the year in excess of £60,000, classified within bands of £10,000 is:

| | 2023 | 2022 |
|---|---|---|
| £60,001 - £70,000 | 4 | 2 |
| £70,001 - £80,000 | 1 | - |
| £80,001 - £90,000 | - | 1 |
| £90,001 - £100,000 | 1 | 2 |
| £110,000 - £120,000 | 1 | - |

The key management personnel of the charity and the group comprise the Trustees, the Chief Executive, Director of Clinical Services, Director of People, Director of Income Generation, Medical Director and Director of Finance & Corporate Services. The total employee benefits of the key management personnel of the charity including on-costs were £624k (2022: £589k).

The charity Trustees were not paid and did not receive any employee benefits from the charity or its subsidiary in the year (2022: £nil). There were no costs reimbursed to Trustees by St. Leonard's (2022: £nil).

No charity Trustee received payment for professional or other services supplied to the charity (2022: £nil).

**NHS Pension Scheme**

Eligible staff are able to remain in the NHS Pensions Scheme as if they were still in the employment of an employing authority. The NHS Pension Scheme is an unfunded occupational pension scheme backed by the Exchequer, which is open to all NHS employees and employees of approved organisations. The scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The scheme receives contributions from employers and employees to defray

the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of benefits payable, and the basis for valuations under these provisions, can be found on the NHS Pensions website at www.nhsbsa.nhs/pensions.

In the year ended 31 March 2023, the charity made contributions to the NHS Pension Scheme totalling £375k (2022: £325k). Employer contributions were 20.68% and employee contributions were in the range of 5.0% to 13.5% of pensionable pay.

**Other Pension Schemes**
Other employees are entitled to join a defined contribution scheme. The contribution rates to the defined contribution scheme are 9% of pensionable pay for the employer and 5% of pensionable pay for the employees. The charity uses this scheme to meet the requirements of auto-enrolment legislation using the same contribution rates.

In the year ending 31 March 2023, the charity paid contributions to the schemes totalling £271k (2022: £263k).

## 14. Staff numbers

The average monthly head count and the average monthly number of full-time equivalent staff (including part-time and bank staff) during the year were as follows:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Head Count | Full Time Equivalent | Head Count | Full Time Equivalent |
| Charitable services | 134 | 100 | 128 | 97 |
| Income generation, including shops | 67 | 51 | 64 | 48 |
| Support services | 26 | 20 | 24 | 17 |
| | 227 | 171 | 216 | 162 |

## 15. Government grants

Income from government grants comprises grants from local Integrated Care Boards to support the provision of care; in 2022, they also included Retail & Leisure Grants under the Government's COVID-19 support package. More information is shown in notes 5 and 6 to the financial statements.

## 16. Taxation

The Hospice is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Hospice is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising. Given this, no tax charge arises on the charity.

The trading subsidiary is liable to corporation tax on its chargeable profits. Current tax, including UK Corporation and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary are gift aided to the parent charitable company within 9 months of the year end, no corporation tax arises.

## 17. Tangible fixed assets
### The Charity and the Group

| | Freehold Property £k | Leasehold Property £k | Retail Point of sale System £k | Plant £k | Fixtures Fittings & Equip £k | Medical Equip £k | Motor Vehicles £k | Totals £k |
|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | |
| At 1 April 2022 | 6,601 | 38 | 38 | 82 | 220 | 191 | 164 | 7,334 |
| Additions | - | 14 | - | 9 | 3 | - | 30 | 56 |
| Disposals | - | - | - | - | - | - | (20) | (20) |
| At 31 March 2023 | 6,601 | 52 | 38 | 91 | 223 | 191 | 174 | 7,370 |
| **Depreciation** | | | | | | | | |
| At 1 April 2022 | 2,230 | 33 | 23 | 32 | 159 | 99 | 134 | 2,710 |
| Charge for the year | 121 | 2 | 8 | 7 | 18 | 14 | 16 | 186 |
| On Disposals | - | - | - | - | - | - | (10) | (10) |
| At 31 March 2023 | 2,351 | 35 | 31 | 39 | 177 | 113 | 140 | 2,886 |
| **Net Book Values** | | | | | | | | |
| At 31 March 2023 | 4,250 | 17 | 7 | 52 | 46 | 78 | 34 | 4,484 |
| At 31 March 2022 | 4,371 | 5 | 15 | 50 | 61 | 92 | 30 | 4,624 |

Freehold property includes non-depreciable land with a book value of £369k (2022: £369k).

## 18. Fixed asset investments

| **Investments** | The Charity and the Group 2023 £k | 2022 £k |
|---|---|---|
| Market value at 1 April 2022 | 14,909 | 14,516 |
| Additions at cost | 2,728 | 501 |
| Disposal proceeds | - | (500) |
| | 17,637 | 14,517 |
| Realised and unrealised investment gains/(losses) | (551) | 472 |
| Investment management costs | (78) | (80) |
| Charges within valuation | - | - |
| Market value at 31 March 2023 | 17,008 | 14,909 |

The historic cost of investments at 31 March 2023 was £12,312k (2022: £9,559k).

**UK Investment Property**

| | 2023 | 2022 |
|---|---|---|
| | £k | £k |
| Market value at 1 April | 105 | 105 |
| Market value at 31 March | 105 | 105 |

The property was valued by Malcolm Stuart Property Consultants LLP on 6 February 2020 on the basis of open market value. The Trustees have considered the fair value of the property with respect to recent market conditions and property transactions in the local area and are of the opinion that the professional valuation represents fair value at the balance sheet date.

The historic cost of investment property at 31 March 2023 was £16k (2022: £16k).

The total carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £17,113k (2022: £15,014k).

## Investment in subsidiary

| | The Charity | |
|---|---|---|
| | 2023 | 2022 |
| | £ | £ |
| Shares at cost | 100 | 100 |

The charity owns 100% of the share capital of St. Leonard's Hospice Enterprises Limited, whose results and year-end position are detailed in note 6.

**19. Stock**

| | Charity | | Group | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £k | £k | £k | £k |
| Goods for resale | 16 | - | 16 | 17 |

**20. Debtors**

| | Charity | | Group | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £k | £k | £k | £k |
| Trade debtors | 34 | 26 | 34 | 27 |
| Amount owed by subsidiary | 33 | 54 | - | - |
| Other debtors | 69 | 267 | 69 | 267 |
| Prepayments | 140 | 123 | 140 | 123 |
| Accrued income | 2,300 | 2,869 | 2,300 | 2,869 |
| | 2,576 | 3,339 | 2,543 | 3,286 |

| | Charity | |
|---|---|---|
| **Amounts Owed by Subsidiary** | 2023 | 2022 |
| | £k | £k |
| Due within one year | 13 | 34 |
| Capital Loan | 20 | 20 |
| | 33 | 54 |

The subsidiary has ceased to trade since the year-end, and the £20k loan will be repayable during the year ending March 2024.

## 21. Creditors: amounts falling due within one year

| | Charity | | Group | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £k | £k | £k | £k |
| Trade creditors | 160 | 147 | 159 | 146 |
| Taxes and social security costs | 194 | 185 | 194 | 185 |
| Other creditors | - | - | - | - |
| Accruals | 47 | 52 | 49 | 55 |
| Deferred Income | 74 | 48 | 74 | 48 |
| | 475 | 432 | 476 | 434 |

**Analysis of change in deferred income**

| | At 31 March 2022 | Released during year | Deferred | At 31 March 2023 |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Deferred Income | 48 | (48) | 74 | 74 |

## 22. Contingent assets – legacy income

At 31 March 2023, the charity had been notified of its entitlement to 5 (2022: 3) residuary and life interest legacies with Probate granted, the value of which is uncertain due to either insufficient information being available or due to potential claims on the estate. At the date when the accounts were signed, no further information had been received and so these legacies have either not been accrued or not been accrued in full.

## 23. Analysis of group net assets between funds

| Fund balances at 31 March 2023 are represented by: | Unrestricted General Funds | Unrestricted Designated Funds | Restricted Funds | Total |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Tangible fixed assets | - | 4,484 | - | 4,484 |
| Investments | 8,113 | 9,000 | - | 17,113 |
| Current assets | 2,518 | - | 844 | 3,362 |
| Current liabilities | (476) | - | - | (476) |
| **Total net assets** | 10,155 | 13,484 | 844 | 24,483 |

| Fund balances at 31 March 2022 are represented by: | Unrestricted General Funds | Unrestricted Designated Funds | Restricted Funds | Total |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Tangible fixed assets | - | 4,624 | - | 4,624 |
| Investments | 6,014 | 9,000 | - | 15,014 |
| Current assets | 4,806 | - | 1,118 | 5,924 |
| Current liabilities | (434) | - | - | (434) |
| **Total net assets** | 10,386 | 13,624 | 1,118 | 25,128 |

## 24. Post balance sheet events

As of 1st April 2023, the subsidiary company, St. Leonard's Hospice Enterprise, has ceased to trade.

## 25. Capital commitments (group and charity)

At 31 March 2023, capital commitments amounted to £nil (2022: £nil).

## 26. Operating Lease Commitments (group and charity)

At 31 March 2023, the group and the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows: -

| | 2023 Land & Buildings | 2022 Land & Buildings | 2023 Other | 2022 Other |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Due within one year | 140 | 183 | 1 | 2 |
| Due between two and five years | 190 | 205 | - | 2 |
| Due after 5 years | 4 | - | - | - |
| | 334 | 388 | 1 | 4 |

## 27. Related party transactions

During the year, St. Leonard's Hospice York conducted the following transactions with its subsidiary, St. Leonard's Hospice Enterprises Limited:

St. Leonard's Hospice York levied a management charge on St. Leonard's Hospice Enterprises Limited amounting to £3,151 (2022: £2,461), a software licence charge amounting to £500 (2022: £500) and interest amounting to £520 (2022: £520).

At 31 March 2023, St. Leonard's Hospice York was due £23k from St. Leonard's Hospice Enterprises Limited (2022: £34k). In addition to the trading balances St. Leonard's Hospice York was due an amount of £20k (2022: £20k) in respect of a loan in favour of St. Leonard's Hospice Enterprises Limited; the interest on this loan is secured against the assets of St. Leonard's Hospice Enterprises Limited and is charged at 2.5% above the base rate of principal bankers.

There were no transactions between the charity and its Trustees during the year that required disclosing as related party transactions under FRS 102.

## 28. Reconciliation of net movement in group funds to group net cash flow from operating activities

| | 2023 £k | 2022 £k |
|---|---|---|
| Net movement in funds | (94) | 3,075 |
| **Adjustments for:** | | |
| Dividends interest and rents from investments | (391) | (407) |
| Depreciation charges | 186 | 179 |
| Profit on sale of fixed assets | (7) | - |
| Investment management charges | 78 | 80 |
| Decrease in stocks | 1 | 2 |
| Decrease/(Increase) in debtors | 819 | (1,415) |
| Increase in creditors | 42 | 43 |
| **Net cash provided by operating activities** | **634** | **1,557** |

### Analysis of changes in net funds

| | At 31 March 2022 £k | Cash flow £k | At 31 March 2023 £k |
|---|---|---|---|
| Cash and cash equivalents | **2,621** | (1,818) | **803** |

## 29. Comparative Statement of Financial Activities

**Consolidated Statement of Financial Activities (Including Income and Expenditure Account) for the year ending 31 March 2022**

| | Unrestricted Funds £k | Restricted Funds £k | Total Funds 2022 £k |
|---|---|---|---|
| **Income from:** | | | |
| Donations and legacies | 3,432 | 1,721 | 5,153 |
| *Income from charitable activities:* | | | |
| Grants and contract income | 2,083 | 392 | 2,475 |
| *Income from other trading activities:* | | | |
| Shops | 2,128 | - | 2,128 |
| Lottery | 387 | - | 387 |
| Fundraising activities | 394 | - | 394 |
| Investment Income | 407 | - | 407 |
| **Total income** | **8,831** | **2,113** | **10,944** |
| **Expenditure on:** | | | |
| *Costs of raising funds:* | | | |
| Donations and legacies | 592 | - | 592 |
| Shops | 1,696 | - | 1,696 |
| Lottery | 192 | - | 192 |
| Fundraising activities | 151 | - | 151 |
| Investment Management Costs | 81 | - | 81 |
| *Expenditure on charitable activities:* | | | |
| In-patient Care | 3,051 | 720 | 3,771 |
| Sunflower Centre | - | - | - |
| Hospice@Home | 749 | 385 | 1,134 |
| Lymphoedema Service | - | - | - |
| Bereavement and Family Support | 252 | - | 252 |
| **Total expenditure** | **6,764** | **1,105** | **7,869** |
| **Net income before other recognised gains** | **2,067** | **1,008** | **3,075** |
| Realised and unrealised gains on investments | 472 | - | 472 |
| **Net income** | **2,539** | **1,008** | **3,547** |
| Total funds brought forward | 21,471 | 110 | 21,581 |
| **Total funds carried forward** | **24,010** | **1,118** | **25,128** |

**ST. LEONARD'S HOSPICE YORK**

England & Wales - Charity number 509294

# Accounts

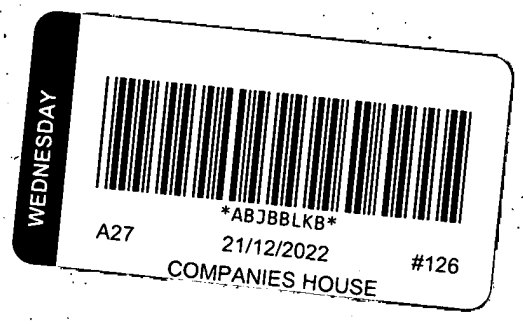
# St. Leonard's Hospice York

(A company limited by guarantee)

Registered Charity No. 509294
Company No. 01451533

**Annual Report and Consolidated Financial Statements**

**for the year ending 31 March 2022**



# St. Leonard's Hospice York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# St. Leonard's Hospice York

**Report and financial statements for the year ending 31 March 2022**

## Foreword from the Chair and Chief Executive

The Trustees' Annual Report and audited financial statements for the year ending 31 March 2022 provide a summary of what our Hospice has achieved in delivering its strategic aims and responding to the ongoing challenges associated with COVID-19.

In view of the unprecedented challenges that have been faced, the Board is very proud of the care that has been provided to patients and their families and pleased with the charity's overall financial performance.

As a result of prudent financial management throughout our history, the Hospice has built up strong reserves and remains in a robust financial position. We can be confident, therefore, that despite the uncertainty of some income streams and inflationary cost increases in the wake of the pandemic, we can continue to provide high quality and safe end of life care to those who receive our services, and continue to develop ways to reach more of our community that needs our care and support.

During this year, the Hospice has seen the benefits of strong appointments to both the Senior Management Team and wider Hospice management group. There has been an impressive performance in retail following the re-opening of shops and it is encouraging to see this income stream continuing to grow for the benefit of our patients and families.

The Board of Trustees has worked closely with the senior team to meet the unprecedented demands of COVID-19 and the sector-wide challenges of workforce recruitment and retention. These challenges have reduced the availability of patient beds during the year but we have been able to mitigate this through significant growth in our range of community services. The hospice has also experienced adverse publicity that occurred as a result of a serious breach of COVID regulations by a group of staff in the early part of the year. This breach resulted in disciplinary action and the team continues to deal with the impact of that whilst continuing to provide high quality care and services. We have always worked in partnership across the wider healthcare system to develop services that are responsive to patients' needs with the expansion of the single point of co-ordination for end of life care services and our Hospice@Home service.

This year, the Board said goodbye as trustees to Dr Dan Cottingham, Alistair Duncan, David Miller and Michael Sturge who have all made a highly significant and valuable contribution to the work of the Board over a number of years. They leave the role of trustee with the gratitude of the whole Hospice community. We also welcomed Khushbu Goulden and Tony Taylor who bring a wealth of experience and skill to our Board.

On behalf of the Board of Trustees and Senior Management Team, we would like to thank our donors and supporters for their energy and commitment to ongoing fundraising, and the Hospice's staff and volunteers for their unwavering commitment to excellence in holistic patient care.

**David Dickson**
**Chair of the Board of Trustees**

**Emma Johnson**
**Chief Executive**

# St. Leonard's Hospice York

**Report of the Trustees for the year ending 31 March 2022**

## Report of the Trustees

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2022, which are also prepared to meet the requirements for a directors' and strategic report and financial statements for Companies Act 2006 purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and 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 the Republic of Ireland (FRS 102) (effective 1 January 2019).

### Our purpose and activities

The charitable purpose of St. Leonard's Hospice York is to promote the relief of sickness by such charitable means as the charity shall from time to time think fit.

Our mission is to provide excellent care and support to those living with life-limiting illness and to the people they care about, to enrich their lives and to contribute to the ongoing development of end-of-life care.

St. Leonard's Hospice cares for patients who have advanced, progressive and life-limiting illnesses. Our aim is to maintain and enhance their quality of life. We place the patient at the centre of everything we do, recognising that patients have the right to be consulted and to be involved in decisions about their care.

We believe that our patients should receive holistic care, meaning that in addition to their physical problems, their psychological, emotional and spiritual needs should be met in the course of their care.

Our aim is to create an environment of openness and honesty where feelings can be shared and received with sensitivity and understanding.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. St. Leonard's benefits the public living in its catchment area by providing specialist palliative care, without charge, for those with life-limiting illnesses. The catchment area includes, but is not exclusive to, the communities of Easingwold, Pocklington, Selby, Sherburn in Elmet, Stamford Bridge, Tadcaster, North and West Ryedale and York.

The pandemic continued to affect how clinical services were delivered in the year. The hospice holds 20 beds but admissions were limited by Infection and Prevention Control (IPC) guidance as well as staff illness and isolation and sector-wide shortages in clinical workers. During the year ended 31 March 2022, St. Leonard's cared for 184 in-patients, compared to 282 in 2021. Conversely, our Hospice@Home service, which works collaboratively with other primary care services and enables patients to remain in their own homes, continues to expand. It received 670 referrals during the year (2021: 668), and provided 6,145 hours of care (2021: 5,564).

The Sunflower Centre was closed in 2020 at the outset of the pandemic, and remains suspended as we reassessed how best to use our resources to deliver the best services to the widest number of people in our community.

We continue to provide bereavement services (via telephone support) and are a Project ECHO (Extension of Community Healthcare Outcomes) teaching/training hub. Our Single Point of Coordination service, set up in the wake of the pandemic to help patients to access local services, continues to grow, responding to over 25,000 phone calls to date, and now averaging over 50 per day.

The Bereavement service continues to develop and explore new ways of supporting families following the death of a loved one. We moved to a telephone support service throughout the pandemic to enable the service to continue through IPC restrictions. We received 127 (2021: 65) referrals during the year resulting in 878 bereavement telephone support sessions.

Shortly after the year-end, the hospice achieved a 'good' rating from the Care Quality Commission following an inspection visit in April 2022, the first such visit since 2016. Although this was a lower grade than the 'outstanding' rating achieved previously, the 2022 inspection was assessed under the more exacting standards of the acute hospitals framework, as opposed to the care home framework of 2016. The report highlights that the Hospice delivers high quality, inclusive, personalised care. There is a clear focus on putting the individual needs of patients and families first, treating them with compassion, kindness, and supporting them in making decisions. It also referenced a divided culture across the organisation, which had proactively been raised by management in advance of the inspection with our regulators and commissioners. We have used external professionals to facilitate support for culture change starting with a resilience hub and a programme of restorative conversations and bridge-building work. This will support us in developing our culture to ensure we adapt our services to better serve the needs of the wider community. We know change can be unsettling and will continue to work hard to ensure that we include people in the development of our future vision.

St. Leonard's is recognised as a hospice that provides teaching, and we continued to provide training, support and supervision for student nurses and medical students through the pandemic.

The strategies employed to achieve the charity's aims and objectives as part of a five-year strategic vision are to:

Patients

- Understand the diverse and challenging needs of patients and develop the best possible response to those needs
- Ensure our care is accessible to all those who need it
- Develop services that meet the needs of more people

Partnerships

- Become a whole system leader for the provision of end of life care and specialist palliative care services
- Lead and encourage collaboration to improve the quality and coordination of care for patients across the localities

People

- Ensure that the Hospice is an employer of choice
- Broaden and deepen the provision of staff wellbeing
- Develop an organisational culture of learning and engagement

Finance

- Secure long term financial sustainability
- Review reserves policy alongside the development of services to address unmet need

Income

- Increase income through retail, donations, weekly prize draw and legacies
- Develop a broader integrated brand and marketing approach

During the year ended 31 March 2022, our key achievements were:

- We continued to adapt services to the ongoing demands of the COVID-19 pandemic and innovate to meet the changing needs of the community, increasing the hours of care delivered by the Hospice@Home service by over 10% and growing the SPOC service to handle 50 calls a day.

- The implementation of a major new patient database, the Palliative Hospital version of Systm One. This will improve efficiency by eventually replacing the previous paper-based record system.

- We developed our bereavement support offer, almost doubling referrals in the year to 127 (2021: 65) with an innovative telephone support service, maintained by our bereavement support volunteers

- Our collaborative education programme through the Hospice UK ECHO initiative with Saint Catherine's Hospice, Scarborough continued to thrive. The ECHO team successfully provided Infection Prevention and Control (IPC) education to all Care Homes across the Vale of York, Scarborough and Ryedale as part of the CCG's target.

- We worked flexibly and responsively across services to ensure that patient need was met. Our doctors provided support to community patients and nursing staff worked across IPU and Hospice@Home

- Revenue of over £10m for the first time was driven by:
    - Record retail income of over £2.1m after the successful re-opening of our shops following the lifting of pandemic restrictions
    - Legacy income of £3.1m
    - Donations in excess of £2m including an individual donation of £1m

- We adapted our fundraising events in line with Covid-19 restrictions, delivering £332k of income, more than doubling the prior year's total

- We put in place an informal collaborative across 7 hospices in the Humber, Coast & Vale region to focus on opportunities to extend the scope of services in our community

Our volunteers

The charity gratefully welcomes the unstinting help of 207 (2021: 227) volunteers in the Hospice and 196 (2021: 181) volunteers in its shops. Volunteers undertake a variety of roles at St. Leonard's and without them we would not be able to continue to provide the high standard of care to patients and families without employing additional staff. At the outset of the pandemic in early 2020, volunteering was paused in order to protect the vulnerable and to ensure social distancing, and volunteer numbers dropped as a result. Social distancing rules were relaxed in mid-2021 but volunteer numbers have been slow to recover. We would like to thank all our volunteers for their continued loyal support and service and acknowledge that the last year has been challenging.

**Financial review**

The Trustees are pleased with the charity's financial performance for the year ended 31 March 2022.

The results on the Consolidated Statement of Financial Activities show an operating surplus of £3,075k. Appreciation of investment assets increased the surplus to £3,547k.

Total income exceeded £10m for the first time, with total income of £10.9m up 44.3% on the prior year. This was despite a reduction in pandemic-related government funding of £1.1m; legacies reached £3.1m (+£1.7m) and accounted for the majority of the overall increase in income, while the re-opening of shops allowed retail sales to rise to £2.1m (+£1.4m vs 2021).

Annual expenditure increased by £543k due mainly to the continuing growth (£219k, 23.9%) in provision of Hospice@Home services, as well as the increased spending on shops (£259k, 18.0%) following the widespread closures during the pandemic in the prior year.

Despite the continuing challenges arising from the pandemic during the year, St. Leonard's remains in a strong financial position. The Hospice was fortunate to benefit from significant legacy income during the year. However, legacy income is by nature an unpredictable income stream and dependence on it is a risk that the Trustees are seeking to mitigate through income generation strategies.

We are extremely grateful for an exceptionally generous restricted donation of £1m from an anonymous donor during the year, which drove the growth of total donations from £1,146k in 2021 to £2,015k in 2022. At the wishes of the donor, this will be used to fund the expansion of Hospice@Home services over a 3-year period, and as such is recognised within restricted funds.

The trading subsidiary company, St. Leonard's Hospice Enterprises Limited, continues to sell bought-in goods and its trading income is recognised in the group results. During the prior year a number of the qualifying retail outlets received £138k of COVID-19 related Retail and Leisure Grants to support the trading activities of the group; this was not repeated in 2022, resulting in a significant drop (-£126k) in the subsidiary's profits.

**Principal funding sources**

With the exception of the funding that it receives from Clinical Commissioning Groups (CCGs) and other NHS organisations, St. Leonard's is entirely dependent on the support of the general

public through donations, community fundraising, legacies, the weekly prize draw, fundraising events and charity shops.

In this financial year, the Hospice received funding totalling £1,851k (2021: £1,693k) from Clinical Commissioning Groups towards the cost of patient care. This included £340,000 (2021: £340,000) from the Vale of York CCG and City of York Council Better Care Fund to meet the cost of the extended Hospice@Home service, which operates every day up until midnight. This statutory funding will continue to fund the extended service in 2022/23.
£475k (2021: £1,596k) was received from government funding through specific pandemic-related hospice grants. This was made up of £458k (2021: £1,162k) of Covid-19 grants paid by NHS England and £17k (2021: £434k) from the government's Job Retention Scheme (furlough).

**Investment powers and policy**

In accordance with the Articles of Association, the Trustees have the power to invest in such investments, securities or property as they see fit. The policy of the Board of Trustees is to invest the monies of the charity cautiously in a broad-based portfolio. The portfolio comprises two investment funds with differing investment objectives and strategies. The first and larger principally equity-based fund aims to achieve long-term capital and income growth that keeps pace with the underlying rate of inflation. This is complemented by a smaller absolute return-based fund designed to achieve positive returns in all market conditions, giving Trustees the ability to draw on the investment without risking significant capital loss. A proportion of the investments are also held in a cash fund. The Trustees regularly review, at least on an annual basis, the proportion of the investments held in different asset classes. The performance of the portfolio is monitored and assessed in comparison with agreed composite benchmarks.

Fund managers appointed by the Hospice are encouraged to actively engage in Environmental, Social and Governance (ESG) issues. The investment policy is under review early in 2022/23 to ensure that investments are ethical and will evolve in line with the short- and long-term strategies of the Hospice.

The Hospice's investments are overseen by the Finance & Investment Committee. Surplus funds are invested in the Sarasin Endowments Fund Class A inc., the CCLA COIF Charities Deposit Fund or the Ruffer Charity Assets Trust. Investment funds appreciated in value by £472k (2021: £2,256k) during the year following the continued recovery in world stock markets following the sharp fall triggered by the COVID-19 pandemic. Performance during the year compared favourably to the strategic benchmark.

**Reserves policy**

St. Leonard's Hospice aims to maintain its free reserves in the range of 12 to 24 months forward expenditure. In setting its Reserves Policy, the Board of Trustees has considered the Charity Commission guidance in 'CC19 Charities and Reserves' and taken its strategic aims into account. To support its strategic aims, the Board may establish designated funds as appropriate for planned significant capital expenditure projects and new service initiatives.

In setting the target level of free reserves, the Board of Trustees has considered:

- the nature of services provided and the need to provide stakeholders with reassurance about the continuation and development of services for the long term
- the charity's dependence on, and the volatile nature of, legacy income

- its working capital and cashflow requirements
- the generally fixed nature of its service delivery costs
- the use of reserves to fund planned or unplanned deficits
- a contingency for significant unplanned expenditure
- a contingency for a significant unplanned shortfall in voluntary income and/or the proceeds of income generation activities.

The Reserves Policy is reviewed by the Board of Trustees on an annual basis. The Board adopts a cautious approach to investments while balancing risk and potential returns. The current level of funds held by the hospice at the year-end amounted to £25,128k (2021: £21,581k) and included restricted funds of £1,118k (2021: £110k). After deducting restricted funds and funds held as functional assets, the hospice had free reserves of £19,386 (2021: £16,714k). This represents 26 months' forward expenditure, which is equal to the position at 31 March 2021. The trustees recognise that current reserves sit at the higher end of the target range, and this reflects the elevated levels of uncertainty as we emerge from the pandemic and assess the impact of rising inflation, an impending recession and reduced expenditure by individuals. The healthy level of reserves has enabled the hospice to reassess how best to tailor its services to meet the changing needs of its community in the wake of the pandemic, and a deficit has been budgeted in 2022-23 as the hospice invests in those new services.

**Our approach to fundraising and compliance**

St: Leonard's Hospice is reliant on the goodwill and support of the local community in order to provide its services to patients and their families completely free of charge. The Hospice enjoys a privileged status and an excellent reputation and with this comes a responsibility to live up to the very highest standards.

All income generation activities are undertaken within charity law, Charity Commission regulations, HMRC rules, the Gambling Act, local licensing laws, Advertising Standards Authority rules and data protection laws. This list is not exhaustive.

We continue to be registered with, and pay an annual levy to, the Fundraising Regulator and are fully compliant with the Fundraising Code of Practice. We comply with all legislative requirements, but also strive to adopt best practice in all that we do; we constantly review this approach.

As part of our fundraising efforts, we may work with commercial businesses, where as part of the activity we may promote and advertise their products in return for a donation or agreed share of profits. When we do so, we enter into a commercial participation agreement setting out specifics to protect our privileged reputation and ensure compliance with relevant legislation.

St. Leonard's has an effective, open and accessible complaints policy, details of which can be found in our reception, within our shops, and on our website. We received no reportable complaints (2021: none) relating to fundraising practices in the year ending 31 March 2022.

**External fundraisers**

We use the service of one external provider to fundraise on our behalf, Starvale Management and Technologies Ltd (Company No: 03723339), who manage and promote the St. Leonard's

Hospice Lottery. Plans for recruiting players to the St. Leonard's Hospice Lottery are discussed in advance in consultation with Starvale to ensure compliance and best practice.

Starvale is licensed and regulated by the Gambling Commission; all Starvale representatives receive Gambling Commission training (inclusive of vulnerable persons training) and are trained in and adhere to the Fundraising Regulators Rule Book for Face to Face Fundraising. Starvale is audited annually on the Gambling Commission subset of ISO27001:2013. The audit report is available on request.

There were no reportable complaints (2021: no complaints) relating to the activity undertaken by Starvale on behalf of the Hospice. In the year ending 31 March 2022, 50.4% (2021: 49.8%) of the proceeds from weekly draws and seasonal super draws were used to fund the work of the Hospice.

**Responsibility towards the environment**

The hospice continues to develop its environmental strategy, and is commissioning an environmental audit in line with ISO 40001 and ISO 50001 for the March 2023 year-end. The hospice reduces its energy consumption through solar panels, and replaced inefficient air conditioning units during the year. For some time we have operated a recycling programme and a Cycle to Work scheme also helps staff to assist in this strategy.

**Plans for the future**

*The Process*
The strategy for St. Leonard's Hospice needs not only to be responsive in the short term but also to ensure services are responsive and meet the needs of service users. It is vital that the strategy also takes into account the affordability and long-term financial sustainability of the organisation.

The Hospice uses a range of approaches when considering future services and shaping the strategic vision. The Clinical Commissioning Groups are being replaced by the Integrated Care Board (ICB) structure as of July 2022, and their strategic plan for end of life care is central to our plans. We discuss this with the commissioners and other providers within the Humber Coast and Vale Integrated Care System (ICS) and are activity engaged with the local place-base Health & Care Alliance; through this forum will start to evaluate the future needs of our local population.

The Trustees play a vital role in formulating the strategic vision through discussions and papers at the Service Development and Governance sub-committees in particular, but also through the annual trustee strategic planning day.

Potential strategic developments are supported by budget proposals and recommendations to the Board of Trustees from relevant sub-committees.

*The Plans*

- To rebuild and reset the strategic vision in the wake of the pandemic and the changing needs of our community as a result

- To engage with the local population to establish its specific needs, especially in relation to community-based services
- To work collaboratively with the new ICB in delivery of the strategy for End of Life care
- Managing the ongoing challenges associated with staff wellbeing, absence and engagement
- To ensure that the Hospice remains the employer of choice in response to shortages of staff in the health/care sectors
- To continue to improve the quality of services for our patients in line with the CQC inspection framework for hospices

**Main objectives and strategies for 2022/2023**

- To ascertain the specific needs of the population through an outreach project, and to act on this to adapt our services to meet those needs
- To further embed the Hospice values, behaviours and strategic aims across all areas and to identify and deliver work streams for achieving those aims
- To continue to review IPU bed occupancy and Hospice@Home activity to ensure staff are deployed to maximise responsiveness of services
- To put in place a digital transformation plan to maximise efficiency and reduce the reliance on paper-based processes across all areas
- To establish a new staff group to improve engagement and communication across the Hospice, including the appointment of a Freedom To Speak-Up Guardian
- To review and develop our organisational leaders to ensure strong visible, innovative leadership for our teams and to enable effective succession planning
- To continue to improve the quality of services for our patients in line with what has been learnt from the CQC inspection in April 2022
- To ensure St. Leonard's Hospice is represented on external forums and involved with shaping and defining services for patients in the Vale of York and surrounding areas across Humber, Coast and Vale
- Adapt income streams to maximise financial sustainability in light of economic adversity
- To review and develop our volunteering offer across all areas of the Hospice, and engage staff with this

# St. Leonard's Hospice York

**Report of the Trustees for the year ending 31 March 2022**

**Reference and administrative details**

Charity Number: 509294
Company Number: 01451533
Registered Office: 185 Tadcaster Road, York, YO24 1GL

**Our advisors**

| | | |
|---|---|---|
| Auditor | Azets Audit Services Ltd | Triune Court, Monks Cross Drive, York, YO32 9GZ |
| Bankers | National Westminster Bank | 1 Market Street, York, YO1 8SR |
| Solicitors | Hague & Dixon | Bank House, 1 The Square, Stamford Bridge, York, YO41 1AG |
| | Lupton Fawcett | Stamford House, Piccadilly, York, YO1 9PP |
| Investment Managers | Sarasin & Partners LLP | Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU |
| | Ruffer LLP | 80 Victoria Street, London, SW1E 5JL |
| | CCLA | Senator House, 85 Queen Victoria Street, London, EC4V 4ET |

**Key management personnel: St. Leonard's Hospice York**

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees and officers serving during the year and since the year end were as follows:

| | | |
|---|---|---|
| Trustees and directors: | David Dickson (Chair) | |
| | Alistair Duncan (resigned June 2021) | |
| | Sandra Falcus | |
| | Prof Kate Flemming | |
| | Khushbu Goulden (appointed June 2021) | |
| | Juliette Healey | |
| | Prof Mike Holmes | |
| | Eamonn Keogh | |
| | David Miller (resigned November 2021) | |
| | Jacqueline Myers | |
| | Dr Lavinia Norton | |
| | Michael Sturge (resigned November 2021) | |
| | Tony Taylor (appointed June 2021) | |
| | Dr Dan Cottingham (resigned June 2022) | |
| Company Secretary: | Karen Johnson | (resigned May 2021) |
| | David Jones | (appointed October 2021) |
| Senior Management Team: | Emma Johnson | (Chief Executive) |
| | Karen Johnson | (Deputy Chief Executive) (resigned May 2021) |
| | Jenny Brandom | (Director of Clinical Services) (appointed Deputy Chief Executive June 2021) |
| | Dawn Clements | (Director of Income Generation) |
| | Dr Bill Hulme | (Medical Director) |
| | Ingrid Jenner | (Director of People) |
| | David Jones | (Head of Finance) (appointed October 2021) |

**Key management personnel: St. Leonard's Hospice Enterprises Limited**

| | | |
|---|---|---|
| Directors: | Juliette Healey | (appointed Chair November 2021) |
| | David Dickson | |
| | Mark Shepherd | |
| | David Miller | (Chair until resigned November 2021) |
| | Alistair Duncan | (resigned June 2021) |
| Company Secretary: | David Jones | (appointed October 2021) |
| | Karen Johnson | (resigned May 2021) |

## Structure, governance and management

### Governing document

St. Leonard's Hospice York is a company limited by guarantee governed by its Articles of Association, which were last amended by Special Resolution on 29 October 2019.

### Appointment of Trustees

The Hospice has a robust and transparent process for the recruitment of Trustees that plays a crucial role in ensuring the Board can draw on a diverse range of skills, expertise, experience and backgrounds and that the Board is as representative of the community we serve as possible. This is an area, however, where the CQC has made recommendations for improvement; following the inspection, we have addressed these issues and made changes to ensure compliance with the fit and proper person regulation (FPPR).

Recruitment to the Board is a two-stage process. Firstly, we invite members of the public who are prepared to act as a voluntary trustee to express their interest and undertake our selection process. Successful applicants are recorded on our Register of Potential Future Trustees. Secondly, the Board identifies a vacancy and invites an individual on the Register of Potential Future Trustees to fill the vacancy. It is usual for potential future trustees to serve as a co-opted member of one of the sub-committees of the Board before becoming a trustee.

Full information about the recruitment process for Trustees including our Recruitment and Appointment of Trustees policy is published on our website www.stleonardshospice.org.uk. Trustees are, if appropriate, re-appointed by the Board at the end of each three-year term and Trustees must retire after serving for 12 consecutive years. The maximum term of service exceeds the 9 years recommended by the Charity Governance Code. However, the Board of Trustees has agreed that a longer maximum term of service is more appropriate for a local service delivery charity like St. Leonard's and enables it to achieve the optimum balance of skills and experience on the Board.

### Trustee induction and training

St. Leonard's operates an induction process for new Trustees to prepare them for their role. Trustees participate in in-house training programmes and attend external courses as necessary. They also attend meetings and conferences with their counterparts from other UK hospices and charities.

### Organisation and governance

The Board of Trustees administers the charity. The Board normally meets quarterly and in addition holds an annual Strategy Day. Sub-committees (Finance & Investment, Governance, Membership, People & Culture, Income Generation and Service Development) meet between 2 and 6 times a year. Sub-committees are made up of Trustees with the appropriate knowledge and experience, along with outside advisors be they paid or voluntary where the committee deem it necessary.

The Board reviews its performance annually through a confidential board consultation and review exercise conducted by a trustee member of the Membership Committee. In July 2020, the Board employed an external consultant to undertake an independent governance review.

The Board of Trustees endeavours to comply with the principles and recommended practice of the Charity Governance Code. St. Leonard's benchmarks its policies, practices and procedures against the code.

The Chief Executive and senior management team are appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive and the senior management team under the direction of the Chief Executive have delegated authority for operational matters under the scheme of delegation.

**Related parties and co-operation with other organisations**
None of the Trustees receive remuneration or any other benefits from their work with the charity.

Any connection between a Trustee, co-opted committee member or member of the senior management team, and a supplier, funder, supporter, organisation working collaboratively with or beneficiary of the charity must be disclosed to the Board of Trustees in the same way as any other contractual relationship with a related party.

St. Leonard's works collaboratively with a number of organisations including other local hospices and local healthcare providers. In doing so, our aim is to improve palliative and end of life care for local people.

The Hospice is also represented on:

- NHS Vale of York Clinical Commissioning Group - End of Life Locality Group
- East Riding and Humber Clinical Commissioning Groups – End of Life Locality Groups
- Humber Coast and Vale Integrated Care System – Palliative and End of Life Care Group
- York Health and Care Collaborative
- York Health and Care Alliance Board
- Member of Hospice UK
- Yorkshire Hospices Forum
- Forum of Hospice Chairs

The charity's wholly-owned subsidiary company, St. Leonard's Hospice Enterprises Limited, trades on the charity's behalf to generate income from trading activities including the sale of Christmas cards and fancy goods, which are outside the charity's objects and are for commercial and fundraising purposes.

**Pay policy for senior staff**

The pay of the Chief Executive and senior management team is reviewed annually by the Board of Trustees and was increased in the year in line with the NHS Pay award applied to all staff.

**Risk management**

The Trustees have identified resources and established review systems to manage organisational risk.

The Governance committee of the Board receives regular reports covering the management of clinical, health & safety, information and other risks, along with notification of any matters reported to any regulatory authority. Financial risks are reported via the Finance and Investment Committee.

The Trustees maintain a register of the risks faced by the charity and its subsidiary. The risk register is continually reviewed by the Senior Management Team, and by the Governance Committee and Finance & Investment Committee on a quarterly basis. The risk register records the risks that may arise in each area of the charity's operation, along with the policies, systems and procedures in place to mitigate them.

Risks are identified, assessed, and scored according to their likelihood and impact. Appropriate steps are then taken to mitigate them in day to day operations.

The principal risks and uncertainties faced by the Hospice at the time of writing are as follows:

- Reduced capacity across Clinical Services due to shortages of staff in the health/care sectors
- Abolition of Clinical Commissioning Groups in March 2022
- Potential reputational damage from an unanticipated negative event
- Computer network failure or cyber attack
- Unpredictability of legacy income

**Trustees' responsibilities in relation to the financial statements**
The charity Trustees (who are also Directors of St. Leonard's Hospice York for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare annual financial statements that give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement as to disclosure to our auditors**
In so far as the Trustees are aware at the time of approving the annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware; and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps required as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**
The auditors, Azets Audit Services Limited, were appointed auditor to the charitable company following their acquisition of the trade of Garbutt & Elliott Audit Limited on 1 December 2021. Azets Audit Services Limited have indicated their willingness to stand for reappointment at the full Board meeting.

The Trustees' Report, which includes the Strategic Report, was approved by the Board of Trustees and signed on its behalf by:

**David Dickson**
**Chair of Trustees**

David Dickson

10/10/2022

# St. Leonard's Hospice York

**Independent Auditor's Report for the year ending 31 March 2022**

**Opinion**

We have audited the financial statements of St. Leonard's Hospice York (the "parent charity") and its subsidiary (the "group") for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the related Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2022 and of 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 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 Ethical Standard of the Financial Reporting Council (FRC), 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 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

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

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the Trustees**
As explained more fully in the trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

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

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

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.

**Extent to which the audit was considered capable of identifying irregularities, including fraud**
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Trustees and other management, and from inspection of the society's regulatory and legal correspondence.

We discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The charity is subject to laws and regulations that directly affect the financial statements including company law, charity law, financial reporting legislation, pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising safeguarding, environmental, health and safety and employment legislation.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the charity to commit fraud. Our risk assessment procedures included: enquiry of Trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- income recognition and in particular completeness, the risk that income is recognised in the wrong reporting period, or that restricted income is incorrectly recognised within unrestricted income;
- that cash receipts from the retail operations and donations are not appropriately managed; and
- subjective accounting estimates.

Fraud risks arise due to a potential desire to present the results in a differing light to suit management objectives and due to a prevalence of cash in the charity.

As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation;
- assessing significant accounting estimates for bias;
- testing the recognition of income and in particular that it was recognised in the correct period and any restrictions recognised; and
- testing the control environment around cash takings, including segregation of duties and cash reconciliations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

Laura Masheder (Senior Statutory Auditor)
For and on behalf of Azets Audit Services Limited
Chartered Accountants
Statutory Auditor

13 October 2022
Triune Court
Monks Cross Drive
York
YO32 9GZ

# St. Leonard's Hospice York

## Consolidated Statement of Financial Activities for the year ending 31 March 2022

| | Notes | Unrestricted Funds £k | Restricted Funds £k | Total Funds 2022 £k | Total Funds 2021 £k |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 4 | 3,431.7 | 1,721.5 | 5,153.2 | 2,536.2 |
| *Income from charitable activities:* | | | | | |
| Grants and contract income | 5 | 2,083.1 | 391.6 | 2,474.7 | 3,447.9 |
| *Income from other trading activities:* | | | | | |
| Shops | 6 | 2,127.9 | - | 2,127.9 | 707.0 |
| Lottery | 7 | 387.4 | - | 387.4 | 352.4 |
| Fundraising and other activities | 8 | 394.1 | - | 394.1 | 190.3 |
| Investment Income | 9 | 406.8 | - | 406.8 | 348.9 |
| **Total income** | | **8,831.0** | **2,113.1** | **10,944.1** | **7,582.7** |
| **Expenditure on:** | | | | | |
| *Costs of raising funds:* | | | | | |
| Donations and legacies | 11 | 591.6 | - | 591.6 | 492.6 |
| Shops | 6 | 1,696.1 | - | 1,696.1 | 1,437.1 |
| Lottery | 7 | 192.2 | - | 192.2 | 176.9 |
| Fundraising and other activities | 8 | 150.7 | - | 150.7 | 112.6 |
| Investment Management Costs | 11 | 81.2 | - | 81.2 | 75.4 |
| *Expenditure on charitable activities:* | | | | | |
| In-patient Care | 11 | 3,051.2 | 719.7 | 3,770.9 | 3,742.5 |
| Sunflower Centre | 11 | - | - | - | 164.0 |
| Hospice@Home | 11 | 748.3 | 385.4 | 1,133.7 | 914.8 |
| Lymphoedema Service | 11 | - | - | - | 24.2 |
| Bereavement and Family Support | 11 | 252.4 | - | 252.4 | 185.9 |
| **Total expenditure** | 11 | **6,763.7** | **1,105.1** | **7,868.8** | **7,326.0** |
| **Net income/ (expenditure) before other recognised gains/ (losses)** | | 2,067.3 | 1,008.0 | 3,075.3 | 256.7 |
| Realised and unrealised gains/ (losses)on investments | 18 | 471.7 | - | 471.7 | 2,256.0 |
| **Net income/ (expenditure) and net movement in funds** | | **2,539.0** | **1,008.0** | **3,547.0** | **2,512.7** |
| Total funds brought forward | | 21,471.1 | 109.7 | 21,580.8 | 19,068.1 |
| **Total funds carried forward** | 23 | **24,010.1** | **1,117.7** | **25,127.8** | **21,580.8** |

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

A fully detailed comparative Statement of Financial Activities for the year ending 31 March 2021 is shown at note 29.

# St. Leonard's Hospice York

## Balance Sheets as at 31 March 2022

| | Notes | Charity 2022 £k | Charity 2021 £k | Group 2022 £k | Group 2021 £k |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 17 | 4,623.7 | 4,756.6 | 4,623.7 | 4,756.6 |
| Investments | 18 | 14,909.1 | 14,516.4 | 14,909.1 | 14,516.4 |
| Investment properties | 18 | 105.0 | 105.0 | 105.0 | 105.0 |
| Non-charitable trading subsidiary | 18 | 0.1 | 0.1 | - | - |
| **Total fixed assets** | | 19,637.9 | 19,378.1 | 19,637.8 | 19,378.0 |
| **Current assets** | | | | | |
| Stock | 19 | 0.1 | 0.8 | 17.0 | 18.8 |
| Debtors | 20 | 3,338.6 | 1,973.1 | 3,285.6 | 1,795.2 |
| Cash at bank and in hand | | 2,570.2 | 605.9 | 2,621.5 | 780.5 |
| **Total current assets** | | 5,908.9 | 2,579.8 | 5,924.1 | 2,594.5 |
| **Liabilities** | | | | | |
| Creditors falling due within one year | 21 | (432.2) | (389.7) | (434.1) | (391.7) |
| **Net current assets** | | 5,476.7 | 2,190.1 | 5,490.0 | 2,202.8 |
| **Net assets** | 23 | **25,114.6** | **21,568.2** | **25,127.8** | **21,580.8** |
| **The funds of the charity** | | | | | |
| **Unrestricted income funds** | | 23,996.9 | 21,458.5 | 24,010.1 | 21,471.1 |
| **Restricted income funds** | 10 | 1,117.7 | 109.7 | 1,117.7 | 109.7 |
| **Total charity funds** | 23 | **25,114.6** | **21,568.2** | **25,127.8** | **21,580.8** |

The notes on pages 23 - 43 form part of these financial statements.

The financial statements were approved by the Board on 10/10/2022 ..... and signed on its behalf by:

David Dickson
**Chair of Trustees**

Juliette Healey
**Trustee**

**Company registration number: 01451533**

# St. Leonard's Hospice York

## Consolidated Statement of Cash Flows for the year ending 31 March 2022

| | Notes | 2022 £k | 2021 £k |
|---|---|---|---|
| **Net cash provided by operating activities** | **28** | **1,556.6** | **596.4** |
| **Cash flows from investing activities:** | | | |
| Dividends, interest and rent from investments | | 330.9 | 349.6 |
| Purchase of property, plant and equipment | | (45.8) | (102.8) |
| Proceeds from the sale of property, plant and equipment | | - | 0.8 |
| Payments to acquire investments | | (500.7) | (2,022.3) |
| Proceeds from the disposal of investments | | 500.0 | 1,418.4 |
| **Net cash provided by/(used in) financing activities** | | **284.4** | **(356.3)** |
| **Change in cash and cash equivalents in the year** | | **1,841.0** | **240.1** |
| Cash and cash equivalents at the start of the year | | 780.5 | 540.4 |
| **Total cash and cash equivalents at the end of the year** | | **2,621.5** | **780.5** |
| **Analysis of cash and cash equivalents** | | | |
| Cash at bank and in hand | | 2,621.5 | 780.5 |
| | | **2,621.5** | **780.5** |

# St. Leonard's Hospice York

## Notes to the Financial Statements for the year ending 31 March 2022

1. **Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) **Company information**

St. Leonard's Hospice York is a company limited by guarantee, governed by its Articles of Association which were last amended by special resolution on 29 October 2019, and a charity registered in England and Wales. The registered office is 185 Tadcaster Road, York, YO24 1GL.

(b) **Accounting convention**

The financial statements have been prepared on a going concern basis 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 (FRS 102) (effective 1 January 2019) (Charities SORP(FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

St. Leonard's Hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £100. Previous financial statements were rounded to the nearest £1.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS 102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

(c) **Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and not less than one year from the date of approval. The Trustees are constantly monitoring the financial position of the charity, in particular with regard to the potential changes to funding following the abolition of the government's Clinical Commissioning Groups and the impact on donations of rising inflation and the cost of living crisis. The charity has no borrowings and receives substantial funding from government grants and contracts, of which significant amounts have already been secured for the 2022/23 financial year; its level of reserves levels give assurance that it can withstand the short-term fluctuations in income that might arise from this uncertainty, although the situation is under continual review.

(d) **Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary St. Leonard's Hospice Enterprises Ltd on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity have not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The result for the year dealt with in the charity's Financial Statements is disclosed in note 3.

(e) **Income**

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

Income from government grants and other grants whether 'capital grants' or 'revenue grants' is recognised when the charity has entitlement to the funds, any performance conditions have

been met, it is probable that the income will be received and the amount can be measured reliably and not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Hospice that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy in whole or part, is only considered probable when the amount can be measured reliably and where the Hospice is not aware of any potential challenge to the estate. 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, the legacy is treated as a contingent asset and disclosed if material (see note 22).

Income received in advance of fundraising events is deferred until the event has taken place and the criteria for income recognition are met.

(f) **Donated goods, services and facilities**
Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from use of the item is probable and the economic benefit can be measured reliably.

In accordance with Charities SORP (FRS 102), the value of volunteer time is not recognised in the financial statements. Please refer to the Trustees' Annual Report for more information.

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

Income from goods donated for sale in the charity's shops is recognised at point of sale. As a result of the high volume of low value donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

(g) **Investment income**
Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of interest paid or payable.

Rents from investment properties are included when they are receivable by the charity.

Dividend income from investment funds is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of dividends paid or payable.

(h) **Fund accounting**
Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations or other income which the donor or funder has specified are to be used for particular areas of the charity's work.

(i) **Expenditure and irrecoverable VAT**
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprises the costs of raising funds from voluntary income and through fundraising activities including events, charity shops and lotteries and their associated support costs.

- Expenditure on charitable activities includes the cost of caring for patients either as in-patients or out-patients at the Hospice or in their own homes through the Hospice@Home service, bereavement and family support and educational activities undertaken to further the purposes of the charity and their associated support costs.
- Investment management costs reflect the cost of managing the Hospice's investment portfolio.
- Other expenditure represents those items not falling under any other heading.

St. Leonard's is able to reclaim most of the VAT it incurs. A small amount of irrecoverable VAT is included in support costs.

(j) **Allocation of support costs**
Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration, finance, human resources, information systems and governance costs which support the services providing care to patients and families.

These costs have been allocated between the costs of raising funds and expenditure on charitable activities on the basis set out in note 11.

(k) **Operating leases**
Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

(l) **Pensions**
The charity operates a number of pension arrangements for the benefit of employees which include both defined benefit and defined contribution schemes. The assets of the schemes are held separately from those of the charity and are invested in either the NHS Pension Scheme, the defined contribution Legal & General Workplace Pension Scheme or the personal pension schemes of certain employees, all of which are run independently of the Hospice. The charge to the Statement of Financial Activities represents the contributions payable by the charity to the schemes during the year.

The defined benefit NHS scheme is an unfunded scheme backed by the exchequer. Employers cannot identify their share of the assets and liabilities. In accordance with FRS 102 the scheme has been accounted for as if it was a defined contribution scheme and contributions are recognised as an expense.

(m) **Staff costs**
The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

(n) **Investments**
Investments (other than investments in subsidiaries) are stated at market value at the balance sheet date.

The investment portfolio (see note 18) is held to generate returns and gains for the group and accordingly is designated as fair value through profit and loss ("FVTPL"). The portfolio is re-valued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the Statement of Financial Activities.

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured using the fair value model and are stated at their fair value at the reporting date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities. Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

(o) **Tangible fixed assets**
Individual fixed assets costing more than £2,500 are capitalised and included at cost and are depreciated over their estimated useful economic lives in annual instalments, with a full year's charge in the acquisition year and no charge in the year of disposal as follows:

| | |
|---|---|
| Freehold property | 2% Straight Line Basis |
| Leasehold property | Over the period of the lease |
| Retail point of sale system | 20% Straight Line Basis |
| Plant | 5% to10% Straight Line Basis |
| Medical equipment | 10% to 20% Straight Line Basis |
| Furniture, fittings and other equipment | 10% to 20% Straight Line Basis |
| Motor vehicles | 20% Straight Line Basis |

Buildings are regularly reviewed for indications of impairment. Where there is an impairment, the difference between the assessed recoverable value of the building and its written down cost is charged to the Statement of Financial Activities.

Freehold land is not depreciated.

(p) **Stock**
Stock of bought in goods is valued at the lower of cost and net realisable value.

It is impractical to estimate the fair value of goods donated for sale in the charity's shops due to the high volume of these items and to include it on the balance sheet. The value of these goods to the charity is instead recognised when they are sold in the shops.

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

(r) **Cash at bank and in hand**
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowing in current liabilities.

(s) **Debtors**
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

(t) **Creditors, loans and provisions**
Creditors, loans and provisions are recognised where the group 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, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

(u) **Critical accounting estimates and judgements**
In the application of the group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant.

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

**Critical estimates**
**Depreciation of tangible assets**
Depreciation policies have been set according to management's experience of the useful lives of the assets in each category, something which is reviewed annually.

The charity incurs expenditure on creating tangible fixed assets for use in the charity with costs being incurred over a number of months. The Trustees believe it is possible to segregate these costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

**Legacies**
Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and where sufficient information is available to allow it to measure its entitlement.

**2. Legal status of the charity**

St. Leonard's Hospice York 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 £1 per member (the charity's trustees are also its members).

### 3. Financial performance of the charity

The consolidated Statement of Financial Activities includes the results of the charity's wholly owned subsidiary which sells bought-in goods including Christmas cards.

The summary financial performance of the charity alone is:

| | 2022 £k | 2021 £k |
|---|---|---|
| Income | 10,879.5 | 7,406.7 |
| Gift Aid from subsidiary company | 30.0 | 392.5 |
| | 10,909.5 | 7,799.2 |
| Expenditure | (7,834.8) | (7,305.6) |
| **Net income** | 3,074.7 | 493.6 |
| Investment gains | 471.7 | 2,255.9 |
| Total funds brought forward | 21,568.2 | 18,818.7 |
| **Total funds carried forward** | 25,114.6 | 21,568.2 |
| Represented by: | | |
| Unrestricted income funds | 23,996.9 | 21,458.5 |
| Restricted income funds | 1,117.7 | 109.7 |
| | 25,114.6 | 21,568.2 |

### 4. Income from donations and legacies

| | 2022 £k | 2021 £k |
|---|---|---|
| Donations | 2,014.7 | 1,146.1 |
| Legacies | 3,138.5 | 1,390.1 |
| | 5,153.2 | 2,536.2 |

The Hospice benefits greatly from the involvement of its many volunteers, details of which are given in the Trustees' Annual Report. In accordance with FRS 102, the economic contribution of volunteers is not recognised in the financial statements.

**5. Income from charitable activities**

| | 2022 £k | 2021 £k |
|---|---|---|
| *Grants and contract income from Clinical Commissioning Groups:* | | |
| Inpatient and day services | 1,510.7 | 1,353.3 |
| Hospice@Home | 340.0 | 340.0 |
| | 1,850.7 | 1,693.3 |
| *Other funding:* | | |
| NHS Pension contributions paid directly by NHS England | 97.0 | 94.7 |
| COVID-19 grant paid by NHS England | 458.6 | 1,161.5 |
| Coronavirus Job Retention Scheme | 16.7 | 434.4 |
| Project Echo | 51.7 | 64.0 |
| Total income from charitable activities | 2,474.7 | 3,447.9 |

Included within the restricted funds is contract income of £340.0k (2021: £340.0k) from Vale of York CCG through the Better Care Fund to fund the extended Hospice@Home service which operates from 8am to midnight, seven days a week.

As the locally appointed provider, St. Leonard's received £51.6k (2021: £64.0k) of funding as part of Project Echo from Health Education England through Humber Coast and Vale STP to engage with other providers to support palliative care in non-hospice setting.

A 6.3% increase in NHS Pension Scheme employer contributions effective from 1 April 2019 was funded centrally by NHS England and is reflected in both income and expenditure on staff costs in these accounts. The cost of the increase was £97.0k (2021: £94.7k).

**6. Income and expenditure from other trading activities - shops**

| | 2022 £k | 2021 £k |
|---|---|---|
| Income from the sale of donated goods | 2,029.2 | 527.9 |
| Income from the sale of bought in goods (through trading subsidiary) | 64.0 | 41.0 |
| Retail grant | 34.7 | 138.1 |
| Total income from shops | 2,127.9 | 707.0 |
| Costs of buying in goods | (30.0) | (21.0) |
| Staff costs | (977.1) | (842.6) |
| Other costs | (689.0) | (573.4) |
| Total expenditure on shops | (1,696.1) | (1,437.0) |
| Net profit/(loss) arising from shops | 431.8 | (730.0) |

The wholly owned trading subsidiary St. Leonard's Hospice Enterprises Ltd is incorporated in England and Wales (company number 02589172) and donates all its profits to the charity under the gift aid scheme. St. Leonard's Hospice Enterprises Ltd Limited sells bought in goods, including Christmas cards.

The summary financial performance of the subsidiary alone is:

| | 2022 £k | 2021 £k |
|---|---|---|
| Trading Income | 64.0 | 41.0 |
| Retail grant | - | 138.1 |
| Cost of sales and administration costs | (34.0) | (23.5) |
| Net profit | 30.0 | 155.6 |
| Amount gift aided to the charity | (30.0) | (392.5) |
| Retained in subsidiary | - | (236.9) |

The assets and liabilities of the subsidiary were:

| | 2022 £k | 2021 £k |
|---|---|---|
| Current assets | 69.1 | 192.8 |
| Current liabilities | (36.5) | (160.2) |
| Creditors due after more than one year | (20.0) | (20.0) |
| Total net assets | 12.6 | 12.6 |
| Aggregate share capital and reserves | 12.6 | 12.6 |

In the year to 31 March 2022 a donation of £30.0k (2021: £392.5k) was made to the parent charitable company.

**7. Income and expenditure from other trading activities – lottery**

| | 2022 £k | 2021 £k |
|---|---|---|
| Income from lottery sales | 387.4 | 352.4 |
| Prizes | (36.6) | (36.7) |
| Other lottery costs | (155.6) | (140.1) |
| | (192.2) | (176.8) |
| Total lottery profits | 195.2 | 175.6 |

**8. Income and expenditure from other trading activities - fundraising and other activities**

| | 2022 £k | 2021 £k |
|---|---|---|
| Fundraising events and activities | 332.0 | 152.0 |
| Provision of placements/training courses | 10.1 | 14.6 |
| Room hire | 3.0 | 3.0 |
| Catering for staff and visitors | 10.2 | 6.4 |
| Industrial injury claims for treating patients with mesothelioma | 28.5 | 10.8 |
| Generating electricity | 3.2 | 2.6 |
| Miscellaneous income | 7.1 | 0.9 |
| Total income from fundraising activities | 394.1 | 190.3 |
| Cost of fundraising events and activities | (150.7) | (112.6) |
| Surplus on fundraising events and activities | 243.4 | 77.7 |

Sponsorship income generated by fundraising activities is accounted for as donations.

**9. Investment Income**

The charity received investment income from the following sources during the year:

| | 2022 £k | 2021 £k |
|---|---|---|
| Dividends | 398.8 | 340.5 |
| Rents from investment properties | 6.6 | 7.0 |
| Interest on cash deposits | 1.4 | 1.4 |
| | 406.8 | 348.9 |

## 10. *Restricted funds*

**Year ended 31 March 2022**

| | Balance 01-Apr 2021 £k | Movement in Funds: Income £k | Movement in Funds: Expenditure £k | Balance 31-Mar 2022 £k |
|---|---|---|---|---|
| Hospice@Home service | - | 1,361.5 | (384.9) | 976.6 |
| Personalised Care Project | - | 63.0 | - | 63.0 |
| Hospice@Home vehicle | - | 40.0 | (0.4) | 39.6 |
| Workforce development | 2.3 | - | - | 2.3 |
| Project Echo | - | 51.6 | (51.6) | - |
| ACP Funding | 7.5 | - | - | 7.5 |
| Equipment Funds | 11.3 | 0.5 | (0.4) | 11.4 |
| Service extension/ Covid Co-ordinator | 72.0 | - | (72.0) | - |
| NHS England COVID-19 grant | - | 475.3 | (475.3) | - |
| Drugs & oxygen | - | 78.4 | (78.4) | - |
| Homelessness Project | 8.8 | 37.8 | (38.5) | 8.1 |
| Sundry other funds | 7.8 | 5.0 | (3.6) | 9.2 |
| | 109.7 | 2,113.1 | (1,105.1) | 1,117.7 |

**Year ended 31 March 2021**

| | Balance 01-Apr 2020 £k | Movement in Funds: Income £k | Movement in Funds: Expenditure £k | Balance 31-Mar 2021 £k |
|---|---|---|---|---|
| Hospice@Home service | - | 366.3 | (366.3) | - |
| Workforce development | 2.3 | - | - | 2.3 |
| Project Echo | - | 64.0 | (64.0) | - |
| ACP Funding | - | 7.5 | - | 7.5 |
| Service extension | 33.0 | - | - | 33.0 |
| Equipment Funds | 34.8 | 27.5 | (51.0) | 11.3 |
| COVID Co-ordinator | - | 55.0 | (16.0) | 39.0 |
| NHS England COVID-19 grant | - | 1,595.9 | (1,595.9) | - |
| Drugs & oxygen | - | 49.7 | (49.7) | - |
| Homelessness Project | - | 22.2 | (13.4) | 8.8 |
| Sundry other funds | 9.1 | 2.7 | (4.0) | 7.8 |
| | 79.2 | 2,190.8 | (2,160.3) | 109.7 |

Where a donor specifies that their donation is to fund a particular service e.g. the Hospice@Home service, the funds are restricted and applied to cover the cost of that service.

Donations for the Hospice@Home service during the year were boosted by an exceptional £1m from a very generous anonymous donor, and these funds will be used to expand the scope and reach of the service over a planned 3-year period.

The Personalised Care Project relates to funds received from the Vale of York CCG for the purpose of providing a more tailored domiciliary care service to patients and families; the project has started since March 2022 but there was no related expenditure during the year.

A donation of £40k for a new vehicle that will be used to visit patients at the outer reaches of our communities was received during the year; the purchase has been made since March 2022.

A balance of £72.0k of funds for extending services via a Covid co-ordinator was brought forward at April 2021, and has been used to provide the Single Point of Co-ordination (SPOC) service. This provides support by answering queries, providing advice on available local services and carrying out essential administrative tasks for patients.

In addition to restricted donations, St. Leonard's received £340,000 (2021 £340,000) of contract income from the Better Care Fund through Vale of York CCG and £20,915 (2021 £26,246) from NHS Humber Foundation Trust to fund the Hospice@Home service.

St. Leonard's is the locally appointed provider of education through the Hospice UK Project Echo initiative to palliative care providers in non-hospice settings. Heath Education England funds the salary and overhead costs of this project.

Vale of York CCG funds the cost of drugs and other pharmaceutical services provided to Hospice patients by York Hospitals NHS Foundation Trust under the arrangements outlined in the Department of Health Executive Letter 94; these totalled £78.4k during the year.

## 11. Analysis of expenditure including governance and support costs

| For the year ended 31 March 2022 | Direct Costs £k | Support Costs £k | Governance Costs £k | Total 2022 £k |
|---|---|---|---|---|
| *Costs of raising funds:* | | | | |
| Donations and legacies | 475.8 | 115.0 | 0.8 | 591.6 |
| Shops | 1,370.0 | 323.9 | 2.2 | 1,696.1 |
| Lottery | 192.2 | - | - | 192.2 |
| Fundraising and other activities | 121.2 | 29.3 | 0.2 | 150.7 |
| *Investment management costs* | 81.2 | - | - | 81.2 |
| *Expenditure on charitable activities:* | | | | |
| In-patient care | 3,089.7 | 676.6 | 4.6 | 3,770.9 |
| Hospice@Home | 911.8 | 220.4 | 1.5 | 1,133.7 |
| Bereavement and family support | 203.0 | 49.1 | 0.3 | 252.4 |
| **Total expenditure** | 6,444.9 | 1,414.3 | 9.6 | 7,868.8 |

**Support and governance costs**

All governance and support costs are apportioned between the various costs of raising funds and charitable activities according to levels of direct expenditure. This method of apportionment represents a reasonable approximation of the usage of governance and support costs by each activity.

Support costs are included in the above totals as follows:

| | HR, Health & Safety and Volunteers £k | Finance and Information Systems £k | Administration £k | Total 2022 £k |
|---|---|---|---|---|
| Donations and legacies | 54.2 | 30.1 | 30.7 | 115.0 |
| Shops | 152.8 | 84.6 | 86.5 | 323.9 |
| Fundraising activities | 13.8 | 7.7 | 7.8 | 29.3 |
| In-patient care | 319.2 | 176.8 | 180.6 | 676.6 |
| Hospice@Home | 104.0 | 57.6 | 58.8 | 220.4 |
| Bereavement and family support | 23.1 | 12.8 | 13.2 | 49.1 |
| | 667.1 | 369.6 | 377.6 | 1,414.3 |

As a comparative, the expenditure for the prior year is shown below on the same basis:

| For the year ended 31 March 2021 | Direct Costs £k | Support Costs £k | Governance Costs £k | Total 2021 £k |
|---|---|---|---|---|
| *Costs of raising funds:* | | | | |
| Donations and legacies | 404.9 | 84.1 | 3.6 | 492.6 |
| Shops | 1,193.0 | 234.1 | 10.0 | 1,437.1 |
| Lottery | 176.9 | - | - | 176.9 |
| Fundraising and other activities | 95.9 | 16.0 | 0.7 | 112.6 |
| *Investment management costs* | 75.4 | - | - | 75.4 |
| *Expenditure on charitable activities:* | | | | |
| In-patient care | 3,131.6 | 585.9 | 25.0 | 3,742.5 |
| Sunflower Centre | 135.8 | 27.1 | 1.1 | 164.0 |
| Hospice@Home | 757.2 | 151.2 | 6.4 | 914.8 |
| Lymphoedema service | 20.0 | 4.0 | 0.2 | 24.2 |
| Bereavement and family support | 153.9 | 30.7 | 1.3 | 185.9 |
| **Total expenditure** | 6,144.6 | 1,133.1 | 48.3 | 7,326.0 |

**Support and governance costs**

| | HR, Health & Safety and Volunteers £k | Finance and Information Systems £k | Administration £k | Total 2021 £k |
|---|---|---|---|---|
| Donations and legacies | 34.7 | 26.2 | 23.2 | 84.1 |
| Shops | 96.6 | 72.8 | 64.7 | 234.1 |
| Fundraising activities | 6.6 | 5.0 | 4.4 | 16.0 |
| In-patient care | 241.8 | 182.2 | 161.8 | 585.8 |
| Sunflower Centre | 11.2 | 8.4 | 7.5 | 27.1 |
| Hospice@Home | 62.4 | 47.0 | 41.8 | 151.2 |
| Lymphoedema service | 1.7 | 1.2 | 1.1 | 4.0 |
| Bereavement and family support | 12.7 | 9.6 | 8.5 | 30.8 |
| | 467.7 | 352.4 | 313.0 | 1,133.1 |

## 12. Net income for the year

**This is stated after charging:**

| | 2022 | 2021 |
|---|---|---|
| | £k | £k |
| Depreciation of tangible fixed assets | 178.7 | 193.6 |
| Auditor's remuneration: | | |
| - Audit fees | 10.1 | 9.6 |
| - Non audit services | 12.7 | 7.3 |
| Operating lease rentals – land and buildings and equipment | 185.7 | 165.2 |
| Profit on disposal of fixed assets | - | 0.8 |

Of the total audit fee, £8,450 (2021: £7,900) related to the charity. Non-audit services rose in 2022 due to the need to outsource accounts preparation work following the departure of the Director of Finance & Corporate Services in May 2022.

## 13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

| | 2022 | 2021 |
|---|---|---|
| | £k | £k |
| Wages and salaries | 5,169.4 | 4,792.4 |
| Social security costs | 465.4 | 407.2 |
| Pension costs | 587.1 | 574.1 |
| | 6,221.9 | 5,773.7 |

The number of employees who received employee benefits during the year in excess of £60,000, classified within bands of £10,000 is:

| | 2022 | 2021 |
|---|---|---|
| £60,001 - £70,000 | 2 | 2 |
| £70,001 - £80,000 | - | 1 |
| £80,001 - £90,000 | 1 | 1 |
| £90,001 - £100,000 | 2 | 2 |

The key management personnel of the charity and the group comprise the Trustees, the Chief Executive, Director of Clinical Services, Director of People, Director of Income Generation, Medical Director and Head of Finance. The total employee benefits of the key management personnel of the charity including on-costs were £588,551 (2021: £593,723). The decrease in these costs reflects the departure of the Director of Finance and Corporate Services in April 2021.

The charity Trustees were not paid and did not receive any employee benefits from the charity or its subsidiary in the year (2021: £nil). There were no costs reimbursed to Trustees by St. Leonard's (2021: £nil).

No charity Trustee received payment for professional or other services supplied to the charity (2021: £nil).

**NHS Pension Scheme**

Eligible staff are able to remain in the NHS Pensions Scheme as if they were still in the employment of an employing authority. The NHS Pension Scheme is an unfunded occupational pension scheme backed by the Exchequer, which is open to all NHS employees and employees of approved organisations. The scheme provides pensions, based on final salary, in varying circumstances for employees of

participating employers. The scheme receives contributions from employers and employees to defray the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of benefits payable, and the basis for valuations under these provisions, can be found on the NHS Pensions website at www.nhsbsa.nhs/pensions.

In the year ended 31 March 2022, the charity made contributions to the NHS Pension Scheme totalling £324.6k (2021: £328.7k). Employer contributions were 20.68% and employee contributions were in the range of 5.0% to 13.5% of pensionable pay.

**Other Pension Schemes**
Other employees are entitled to join a defined contribution scheme. The contribution rates to the defined contribution scheme are 9% of pensionable pay for the employer and 5% of pensionable pay for the employees. The charity uses this scheme to meet the requirements of auto-enrolment legislation using the same contribution rates.

In the year ending 31 March 2022, the charity paid contributions to the schemes totalling £262.6k (2021: £245.4k).

## 14. Staff numbers

The average monthly head count and the average monthly number of full-time equivalent staff (including part-time and bank staff) during the year were as follows:

| | 2022 | | 2021 | |
|---|---|---|---|---|
| | Head Count | Full Time Equivalent | Head Count | Full Time Equivalent |
| Charitable services | 128 | 97 | 121 | 92 |
| Income generation, including shops | 64 | 48 | 68 | 48 |
| Support services | 24 | 17 | 21 | 15 |
| | 216 | 162 | 210 | 155 |

## 15. Government grants

Income from government grants comprises grants from local Clinical Commissioning Groups to support the provision of care by the Hospice and Retail & Leisure Grants under the Government's COVID-19 support package. More information is shown in notes 5 and 6 to the financial statements.

## 16. Taxation

The Hospice is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Hospice is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising. Given this, no tax charge arises on the charity.

The trading subsidiary is liable to corporation tax on its chargeable profits. Current tax, including UK Corporation and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary are gift aided to the parent charitable company within 9 months of the year end, no corporation tax arises.

## 17. Tangible fixed assets
**The Charity and the Group**

| | Freehold Property £k | Leasehold Property £k | Retail Point of sale System £k | Plant £k | Fixtures Fittings & Equip £k | Medical Equip £k | Motor Vehicles £k | Totals £k |
|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | |
| At 1 April 2021 | 6,601.3 | 37.6 | 38.2 | 81.4 | 188.5 | 176.6 | 164.2 | 7,287.8 |
| Additions | - | - | - | - | 31.5 | 14.3 | - | 45.8 |
| At 31 March 2022 | 6,601.3 | 37.6 | 38.2 | 81.4 | 220.0 | 190.9 | 164.2 | 7,333.6 |
| **Depreciation** | | | | | | | | |
| At 1 April 2021 | 2,109.1 | 32.2 | 15.3 | 25.4 | 142.6 | 85.3 | 121.3 | 2,531.2 |
| Charge for the year | 121.2 | 1.0 | 7.6 | 6.6 | 16.4 | 13.0 | 12.9 | 178.7 |
| At 31 March 2022 | 2,230.3 | 33.2 | 22.9 | 32.0 | 159.0 | 98.3 | 134.2 | 2,709.9 |
| **Net Book Values** | | | | | | | | |
| At 31 March 2022 | 4,371.0 | 4.4 | 15.3 | 49.4 | 61.0 | 92.6 | 30.0 | 4,623.7 |
| At 31 March 2021 | 4,492.2 | 5.4 | 22.9 | 56.0 | 45.9 | 91.3 | 42.9 | 4,756.6 |

*Freehold property includes non-depreciable land with a book value of £368.7k (2021: £368.7k).*

## 18. Fixed asset investments

| **Investments** | **The Charity and the Group** 2022 £k | 2021 £k |
|---|---|---|
| Market value at 1 April | 14,516.4 | 11,747.9 |
| Additions at cost | 500.7 | 2,022.3 |
| Disposal proceeds | (500.0) | (1,418.4) |
| | 14,517.1 | 12,351.8 |
| Realised and unrealised investment gains | 471.7 | 2,256.0 |
| Investment management costs | (79.6) | (76.9) |
| Charges within valuation | - | (14.5) |
| Market value at 31 March | 14,909.1 | 14,516.4 |

The historic cost of investments at 31 March 2022 was £9,559.4k (2021: £9,540.8k).

**UK Investment Property**

| | 2022 £k | 2021 £k |
|---|---|---|
| Market value at 1 April | 105.0 | 105.0 |
| Market value at 31 March | 105.0 | 105.0 |

The property was valued by Malcolm Stuart Property Consultants LLP on 6 February 2020 on the basis of open market value. The Trustees have considered the fair value of the property with respect to recent

market conditions and property transactions in the local area and are of the opinion that the professional valuation represents fair value at the balance sheet date.

The historic cost of investment property at 31 March 2022 was £15.8k (2021: £15.8k).

The total carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £15,014.1k (2021: £14,621.5k).

**Investment in subsidiary**

| | The Charity | |
|---|---|---|
| | 2022 | 2021 |
| | £ | £ |
| Shares at cost | 100 | 100 |

The charity owns 100% of the share capital of St. Leonard's Hospice Enterprises Limited.

**19. Stock**

| | Charity | | Group | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £k | £k | £k | £k |
| Goods for resale | 0.1 | 0.8 | 17.0 | 18.8 |

**20. Debtors**

| | Charity | | Group | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £k | £k | £k | £k |
| Trade debtors | 25.7 | 81.7 | 26.5 | 81.9 |
| Amount owed by subsidiary | 54.0 | 178.1 | - | - |
| Other debtors | 267.4 | 62.7 | 267.4 | 62.7 |
| Prepayments | 122.6 | 91.2 | 122.8 | 91.2 |
| Accrued income | 2,868.9 | 1,559.4 | 2,868.9 | 1,559.4 |
| | 3,338.6 | 1,973.1 | 3,285.6 | 1,795.2 |

| | Charity | |
|---|---|---|
| **Amounts Owed by Subsidiary** | 2022 | 2021 |
| | £k | £k |
| Due within one year | 34.0 | 158.1 |
| Loan repayable after more than one year | 20.0 | 20.0 |
| | 54.0 | 178.1 |

The loan to the subsidiary is covered by a debenture which provides for interest to be paid quarterly in arrears at the rate of 2.5% above the base rate of the principal bankers of the Hospice. The date set for repayment is 31 March 2030. The debenture is secured by a floating charge over all real and personal property of the company.

## 21. Creditors: amounts falling due within one year

| | Charity | | Group | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £k | £k | £k | £k |
| Trade creditors | 146.6 | 93.8 | 146.1 | 93.9 |
| Taxes and social security costs | 185.3 | 171.2 | 185.3 | 171.2 |
| Other creditors | 0.2 | 0.7 | 0.2 | 0.7 |
| Accruals | 52.5 | 35.7 | 54.9 | 37.6 |
| Deferred Income | 47.6 | 88.3 | 47.6 | 88.3 |
| | 432.2 | 389.7 | 434.1 | 391.7 |

**Analysis of change in deferred income**

| | At 31 March 2021 | Released during year | Deferred | At 31 March 2022 |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Deferred Income | 88.3 | (42.1) | 1.4 | 47.6 |

## 22. Contingent assets – legacy income

At 31 March 2022, the charity had been notified of its entitlement to 3 (2021: 3) residuary and life interest legacies with Probate granted, the value of which is uncertain due to either insufficient information being available or due to potential claims on the estate. At the date when the accounts were signed, no further information had been received and so these legacies have either not been accrued or not been accrued in full.

## 23. Analysis of group net assets between funds

| Fund balances at 31 March 2022 are represented by: | Unrestricted Funds £k | Restricted Funds £k | Total £k |
|---|---|---|---|
| Tangible fixed assets | 4,623.7 | - | 4,623.7 |
| Investments | 15,014.1 | - | 15,014.1 |
| Current assets | 4,806.4 | 1,117.7 | 5,924.1 |
| Current liabilities | (434.1) | - | (434.1) |
| **Total net assets** | 24,010.1 | 1,117.7 | 25,127.8 |

| Fund balances at 31 March 2021 are represented by: | Unrestricted Funds £k | Restricted Funds £k | Total £k |
|---|---|---|---|
| Tangible fixed assets | 4,756.6 | - | 4,756.6 |
| Investments | 14,621.5 | - | 14,621.5 |
| Current assets | 2,484.7 | 109.7 | 2,594.4 |
| Current liabilities | (391.7) | - | (391.7) |
| **Total net assets** | 21,471.1 | 109.7 | 21,580.8 |

## 24. Post balance sheet events

There are no post balance sheet events (2021: no post balance sheet events).

## 25. Capital commitments (group and charity)

At 31 March 2022, capital commitments amounted to £nil (2021 £nil).

## 26. Operating Lease Commitments (group and charity)

At 31 March 2022, the group and the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows: -

| | 2022 Land & Buildings | 2021 Land & Buildings | 2022 Other | 2021 Other |
|---|---|---|---|---|
| | £k | £k | £k | £k |
| Due within one year | 183.2 | 134.1 | 1.9 | 1.9 |
| Due between two and five years | 204.5 | 201.4 | 2.5 | 4.4 |
| | 387.7 | 335.5 | 4.4 | 6.3 |

## 27. Related party transactions

During the year, St. Leonard's Hospice York conducted the following transactions with its subsidiary, St. Leonard's Hospice Enterprises Limited:

St. Leonard's Hospice York levied a management charge on St. Leonard's Hospice Enterprises Limited amounting to £2,461 (2021: £2,461), a software license charge amounting to £600 (2021: £600) and interest amounting to £520 (2021: £520).

At 31 March 2022, St. Leonard's Hospice York was due £34.0k from St. Leonard's Hospice Enterprises Limited (2021: £158,092). In addition to the trading balances St. Leonard's Hospice York was due an amount of £20,000 (2020: £20,000) in respect of a loan in favour of St. Leonard's Hospice Enterprises Limited, the interest is secured against the assets of St. Leonard's Hospice Enterprises Limited and interest is charged at 2,5% above the base rate of principal bankers.

There were no transactions between the charity and its Trustees during the year that required disclosing as related party transactions under FRS 102.

## 28. Reconciliation of net movement in group funds to group net cash flow from operating activities

| | 2022 £k | 2021 £k |
|---|---|---|
| Net movement in funds | 3,075.3 | 256.7 |
| **Adjustments for:** | | |
| Dividends interest and rents from investments | (406.8) | (348.9) |
| Depreciation charges | 178.8 | 193.6 |
| Profit on sale of fixed assets | - | (0.8) |
| Investment management charges | 79.6 | 91.3 |
| (Increase)/ decrease in stocks | 1.8 | (2.9) |
| (Increase)/ decrease in debtors? | (1,414.5) | 441.3 |
| (Decrease)/ Increase in creditors | 42.4 | (33.9) |
| **Net cash provided by operating activities** | **1,556.6** | **596.4** |

**Analysis of changes in net funds**

| | At 31 March 2021 £k | Cash flow £k | At 31 March 2022 £k |
|---|---|---|---|
| Cash and cash equivalents | **780.5** | 1,841.0 | **2,621.5** |

# St. Leonard's Hospice York

## Notes to the Financial Statements for the year ending 31 March 2022

### 29. Comparative Statement of Financial Activities

**Consolidated Statement of Financial Activities (Including Income and Expenditure Account) for the year ending 31 March 2021**

| | Unrestricted Funds £k | Restricted Funds £k | Total Funds 2021 £k |
|---|---|---|---|
| **Income from:** | | | |
| Donations and legacies | 2,345.3 | 190.9 | 2,536.2 |
| *Income from charitable activities:* | | | |
| Grants and contract income | 1,448.0 | 1,999.9 | 3,447.9 |
| *Income from other trading activities:* | | | |
| Shops | 707.0 | - | 707.0 |
| Lottery | 352.4 | - | 352.4 |
| Fundraising activities | 190.3 | - | 190.3 |
| Investment Income | 348.9 | - | 348.9 |
| **Total income** | **5,391.9** | **2,190.8** | **7,582.7** |
| **Expenditure on:** | | | |
| *Costs of raising funds:* | | | |
| Donations and legacies | 492.6 | - | 492.6 |
| Shops | 1,437.0 | - | 1,437.0 |
| Lottery | 176.8 | - | 176.8 |
| Fundraising activities | 112.6 | - | 112.6 |
| Investment Management Costs | 75.4 | - | 75.4 |
| *Expenditure on charitable activities:* | | | |
| In-patient Care | 1,948.4 | 1,794.1 | 3,742.5 |
| Sunflower Centre | 164.1 | - | 164.1 |
| Hospice@Home | 548.6 | 366.2 | 914.8 |
| Lymphoedema Service | 24.2 | - | 24.2 |
| Bereavement and Family Support | 186.0 | - | 186.0 |
| **Total expenditure** | **5,165.7** | **2,160.3** | **7,326.0** |
| **Net income before other recognised gains** | **226.2** | **30.5** | **256.7** |
| Realised and unrealised gains on investments | 2,256.0 | - | 2,256.0 |
| **Net income** | **2,482.2** | **30.5** | **2,512.7** |
| Total funds brought forward | 18,988.9 | 79.2 | 19,068.1 |
| **Total funds carried forward** | **21,471.1** | **109.7** | **21,580.8** |

**ST. LEONARD'S HOSPICE YORK**

England & Wales - Charity number 509294

# Accounts

# St. Leonard's Hospice York

(A company limited by guarantee)

Registered Charity No. 509294
Company No. 01451533

**Annual Report and Consolidated Financial Statements**

**for the year ending 31 March 2021**

# St. Leonard's Hospice York


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# St. Leonard's Hospice York

**Report and financial statements for the year ending 31 March 2021**

## Chair's foreword

The Trustees' Annual Report and audited financial statements for the year ending 31 March 2021 provide a summary of the progress of our Hospice towards its strategic aims and its key objectives of delivering excellent care and support to our community.

The ongoing COVID-19 pandemic is still having a significant impact on the lives of our patients and their families. The last 18 months has been probably the most challenging and demanding time in the 36-year life of St. Leonard's. Our amazing team has done a fantastic job in delivering the best possible patient support and I read from the many letters we receive from our patients' families, how much you all appreciate the exceptional contribution of St. Leonard's' staff.

On behalf of my fellow Trustees I would like to thank you all for your ongoing commitment to ensure our Hospice continues to be able to deliver the best care and support to patients and their loved ones.

The backdrop of ever-changing laws and guidance has tested the adaptability of our management and staff, and they have responded magnificently.

The Hospice has always kept the patient at the centre of its decision-making and one key shift in patient services this year has been the resetting for care provision. While the pandemic has necessitated a reduction in inpatient care and the closure of most outpatient services during the year, the provision of care in patients' own homes has expanded. The number of referrals for the Hospice @ Home service has grown significantly, and it will continue to be a key part of our Hospice's services, as we adapt to patients and their family's needs in the coming years.

In view of the unprecedented challenges faced, the Board is pleased with the St. Leonard's Hospice financial performance this year. We are most grateful for the significant Government grants related to COVID-19 that mitigated the losses arising from the enforced closure of our shops, and many fund raising activities helped the Hospice achieve a small operational surplus for the year. The Hospice's strong reserves position at the year-end is the result of a history of prudent financial management and investment in a range of new services requested by the community we serve. The Board continues to review its reserves to best use them to serve the developing needs of patients and the local community.

2021 will mark the retirement from the Board of Alistair Duncan. Alistair has provided tremendous support to the Hospice over 12 years as a Trustee, and the Board would like to record its thanks for his significant contribution in that time.

In May 2021 we also saw the departure of Karen Johnson, our Deputy Chief Executive and Finance Director, who served our hospice at the highest possible level for so many years and really made a difference in ensuring we arrived at the start of the COVID-19 pandemic in an extremely strong financial position.

In the face of an exacting year, on behalf of the Board of Trustees I would like to thank our donors for their ongoing exceptional generosity and our Hospice's staff and volunteers for their unwavering commitment to the highest standards of holistic patient care.

**David Dickson**
**Chair of Trustee**

## Chief Executive's foreword

I don't think it would be an underestimation to state that the last year has been the most challenging of my professional career and the most challenging for St. Leonard's Hospice since it admitted its first patient in 1984. The continued demands of the COVID-19 pandemic have meant unprecedented change and challenge across all our teams and as we move forward each month, our workforce is becoming more fatigued.

Looking back on our achievements in 2020/21 I have continued to be amazed by the innovation and commitment to going the extra mile to support the patients and families who need us. We have continued to work in a collaborative way with our partners to further develop our understanding of the future demands and opportunities for our clinical services and ensure that we are well placed to develop services to meet patients' needs. We have developed new services and responses to ensure we have been able to respond to the ongoing challenges as a partner within the health system.

We have continued to work on our strategic aims and in particular have focussed on strengthening leadership in key areas and developed a deeper understanding of how a values-based approach will support future development of the organisation. We have continued to develop our longer term focus on achieving financial sustainability expediting some of our plans and aspirations in response to the ongoing COVID-19 pandemic.

The COVID-19 pandemic has continued to challenge us both operationally and strategically, but we have been able to embed changes in practice and move quickly to implement new technology and ideas across all our areas. We are continuing to work more flexibly than ever before with a focus on engagement and communication with our staff, volunteers and supporters/donors.

The continued closure of our shops and cancellation of fundraising events created a short term challenge both in terms of our income and also for our staff, many of whom were furloughed for prolonged periods. We were supported by grants from the UK Government through the year; I also wish to acknowledge the tremendous support from our local population and the innovative ways our income generation and retail teams have found to engage with donors and ensure our income streams are protected for the future.

At the time of writing this foreword it feels appropriate to acknowledge some changes in senior staff across the organisation and in particular the resignation of Karen Johnson as our Deputy Chief Executive in May 2021. As a member of the Senior Management Team Karen provided leadership, expertise and knowledge that will be greatly missed across the organisation.

As we continue to see the impact of COVID-19 on our local community, staff, volunteers and supporters we are focused on looking forward, on achieving our ambitious aims to benefit the people of York and surrounding area and with a sense of pride in what we have accomplished this year and excitement at what we will achieve in the future.

Finally, on behalf of the Senior Management Team I would like to thank our Trustees, staff, volunteers, donors and supporters for their continued commitment and support for St. Leonard's Hospice, without which our work would not be possible.

**Emma Johnson**
**Chief Executive**

# St. Leonard's Hospice York

**Trustees' Annual Report for the year ending 31 March 2021**

## Report of the Trustees

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2021, which are also prepared to meet the requirements for a directors' and strategic report and financial statements for Companies Act 2006 purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and 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 the Republic of Ireland (FRS 102) (effective 1 January 2019).

## Our purpose and activities

The charitable purpose of St. Leonard's Hospice York is to promote the relief of sickness by such charitable means as the charity shall from time to time think fit.

Our mission is to provide excellent care and support to those living with life-limiting illness and to the people they care about, to enrich their lives and to contribute to the ongoing development of end-of-life care.

St. Leonard's Hospice cares for patients who have advanced, progressive and life-limiting illnesses. It is made up of people, both paid and voluntary, who use a wide variety of skills to the benefit of the patients and their families. Our aim is to maintain and enhance their quality of life. We place the patient at the centre of everything we do. We recognise that patients have the right to be consulted and to be involved in decisions about their care.

We believe that our patients should receive holistic care, meaning that in addition to their physical problems, their psychological, emotional and spiritual needs should be met in the course of their care.

Our aim is to create an environment of openness and honesty where feelings can be shared and received with sensitivity and understanding.

We aim to provide a supportive and caring atmosphere where everyone is valued.

Through participating in research and education we are open to receiving from others, the benefit of their expertise and experience and in turn we are committed to sharing the knowledge and skills we have learnt.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. St. Leonard's benefits the public living in its catchment area by providing specialist palliative care, without charge, for those with life-limiting illnesses. The catchment area includes, but is not exclusive to, the communities of Easingwold, Pocklington, Selby, Sherburn in Elmet, Stamford Bridge, Tadcaster, North and West Ryedale and York.

The pandemic affected how clinical services were delivered in the year. Specifically, we limited the capacity of the In-Patient Unit to 16 beds to adhere to Infection and Prevention Control (IPC) guidance; we also suspended the Sunflower Centre services (the day hospice out-patient facilities) and the lymphoedema clinics. We continue to provide bereavement

services (via telephone support) and Hospice@Home services, and we are now a Project ECHO (Extension of Community Healthcare Outcomes) teaching/training hub. We also initiated new services including a Single Point of Coordination and a post to support our Homeless Community.

During the year ended 31 March 2021, St. Leonard's cared for 250 (2020: 282) in-patients and their families, providing in total 3,443 (2020: 5,293) days of specialist palliative care to patients. In-Patient services were impacted by patient choice as a result of visiting restrictions. Occupancy was lower than previous years as more patients chose to be cared for in their homes surrounded by family.

Our Hospice@Home service, which works collaboratively with other primary care services and enables patients to remain in their own homes, received over 660 referrals during the year (2020: 500).

The Bereavement service continues to develop and explore new ways of supporting families following the death of a loved one. We moved to a telephone support service throughout the pandemic which meant that we have continued to be responsive. We received 65 (2020: 86) self-referrals during the year resulting in 893 bereavement telephone support sessions.

St. Leonard's is recognised as a hospice that provides teaching, and we continued to provide training, support and supervision for student nurses and medical students through the pandemic.

We launched Relias as an e-learning platform during the pandemic providing all hospice staff with access to mandatory training, clinical skills updates and specialist training, mentorship updates and updates on national agendas such as the General Data Protection Regulation.

The strategies employed to achieve the charity's aims and objectives as part of a five-year strategic vision are to:

Patients

- Understand the diverse and challenging needs of patients and develop the best possible response to those needs
- Ensure our care is accessible to all those who need it
- Develop services that meet the needs of more people

Partnerships

- Become a whole system leader for the provision of end of life care and specialist palliative care services
- Lead and encourage collaboration to improve the quality and coordination of care for patients across the localities

People

- Build a leadership and staff team that is fit for the future
- Ensure that the Hospice is an employer of choice
- Broaden and deepen the provision of staff wellbeing
- Develop an organisational culture of learning and engagement

Finance

- Secure long term financial sustainability
- Review reserves policy alongside the development of services to address unmet need

Income

- Increase income through retail, donations, weekly prize draw and legacies
- Develop a broader integrated brand and marketing approach

During the year ended 31 March 2021, our key achievements were:

- We responded to the ongoing demands of the COVID-19 pandemic, continuing to deliver patient care and support to a high standard both within the Hospice on the IPU and in the community through our Hospice@Home service

- We developed new services in response to patient need including Single Point of Coordination and a Complex Coordinator post to support our Homeless community.

- In partnership with the Clinical Commissioning Group (CCG) we developed Fast Track provision for those requiring care at home nearing the end of life

- We worked with Health and Care partners to ensure that those patients requiring End of Life services had a voice and worked collaboratively with other organisations to ensure that IPC risks were assessed and managed. This included collaboration with York Hospital's Clinical Nurse Specialist (CNS) team, weekly partnership calls with Health and Care leaders as well as joint working with the CCG that resulted in additional income being identified to grow services.

- We maintained our bereavement support offer with an innovative telephone support service, maintained by our bereavement support volunteers

- We successfully implemented a collaborative programme of education through the Hospice UK ECHO initiative with Saint Catherine's Hospice, Scarborough. The ECHO team successfully provided Infection Prevention and Control (IPC) education to all Care Homes across the Vale of York and Scarborough and Ryedale as part of the local CCG's target.

- We worked flexibly and responsively across services to ensure that patient need was met. Our doctors provided support to community patients and nursing staff worked across IPU and Hospice@Home.

- We strengthened clinical leadership across the IPU , Hospice @Home and Family Therapy teams as part of our recovery plans

- Our patient safety lead now reports on all aspects relating to patient safety including comparisons based on the Hospice UK benchmarking data. Our reporting culture is embedded across clinical services and we provided reports to the Care Quality Commission (CQC) and CCG following any investigation of serious incidents.

- We continued to see an increase in incident reporting through the use of specific health & safety software and have developed a robust policy for management of risk and governance in the Hospice

- We successfully implemented an online training system (Relias) for staff across all areas of the Hospice

COVID-19

- We worked as part of the wider health and care system to develop services that are responsive to patient need and support the significant increase in demand as a result of COVID-19. Specifically, for St. Leonard's Hospice this has meant:

    - The development of a collaborative community service that saw our Hospice@Home service continue to temporarily partner with the York Trust Community specialist team
    - The development of a single point of co-ordination and access for our services (IPU and Hospice@Home) and those provided by continuing health care and community services for end of life care patients
    - The use of St. Leonard's Hospice ECHO technology to support communication, education and training across the Vale of York Care Homes and GP practices

- We re-opened our retail outlets and donation centre in August 2020, but experienced further closures during winter/spring 2020/21 in response to changing Government restrictions.

- Our IPC Management was scrutinised following an outbreak of COVID-19 on the IPU, following which we were commended on our robust approach to patient safety

- We received positive feedback about our response to COVID-19 as part of CQC's 'new style' telephone inspections that took place on 1 March 2021.

- We successfully launched an EBay shop for the Hospice.

- We cancelled or postponed all fundraising events due to take place before September 2020 and held virtual events where possible to maximise income generation opportunities.

- We significantly improved our confidence and capability for flexible working, which is now embedded across our organisation.

## Our volunteers

The charity gratefully accepts the unstinting help of 227 (2020: 276) volunteers in the Hospice and 181 (2020: 353) volunteers in its shops. Volunteers undertake a variety of roles at St. Leonard's and without them we would not be able to continue to provide the high standard of care to patients and families without employing additional staff. We saw a reduction in the number of volunteers during the last year as a result of the ongoing pandemic – we had to pause volunteering in order to protect those who were vulnerable but also in order to ensure we could comply with the regulations and requirements for social distancing. We would like to thank all our volunteers for their continued loyal support and service and acknowledge that the last year has been challenging.

## Financial review

The Trustees are satisfied with the charity's financial performance for the year ended 31 March 2021.

The results on the Consolidated Statement of Financial Activities show an operating surplus of £256,718. Appreciation of investment assets increased the surplus to £2,512,689.

Total income was £692,687 (10.1%) higher than in the previous financial year. The enforced closure of shops due to the COVID-19 pandemic severely impacted retail sales, although this was more than offset by one-off government grants (£1,595,895); an improvement in legacy income (£489,717) accounted for the bulk of the overall increase in income.

Annual expenditure increased by £169,134 due to the significant growth (£324,117, 54.9%) in provision of Hospice @Home services, which was only partially offset by the enforced reduction in day-care services provided by the Sunflower Centre.

Despite the challenges imposed by the pandemic during the year, St. Leonard's remains in a strong financial position. The Hospice is fortunate to benefit from significant ongoing legacy income. However, due to its nature, legacy income is subject to significant year on year variation; dependence on legacy income continues to be a risk to long term financial sustainability, which the Trustees are seeking to mitigate through income generation strategies.

The anticipated fall in voluntary income arising from the COVID-19 outbreak did not appear to impact the Hospice in the year, with a very welcome growth in donations compared to the prior year. COVID-19 grants provided a significant benefit in 2020/21 but ceased early in the financial year 2021/22; however, initial signs of strong growth in retail income in 2021/22 give hope that shop sales will return to pre-pandemic levels.

The trading subsidiary company, St. Leonard's Hospice Enterprises Limited, continues to sell bought-in goods and its trading income is recognised in the group results. The Trustees are pleased with its contribution to the funding of the Hospice. During the prior year a number of the qualifying retail outlets became eligible to receive COVID-19 related Retail and Leisure Grants to support the trading activities of the group, and £138,066 of this grant income was recognised in 2020/21 in accordance with the accounting policies.

### Principal funding sources

With the exception of the funding that it receives from Clinical Commissioning Groups (CCGs) and other NHS organisations, St. Leonard's is entirely dependent on the support of the general public through donations, community fundraising, legacies, the weekly prize draw, fundraising events and charity shops.

In this financial year, the Hospice received funding totalling £1,693,302 (2020: £1,760,859) from Clinical Commissioning Groups towards the cost of patient care. This included £340,000 (2020: £340,000) from the Vale of York CCG and City of York Council Better Care Fund to meet the cost of the extended Hospice@Home service, which operates every day up until midnight, including weekends and bank holidays. The CCG will continue to fund the extended service in 2021/22.

£1,595,895 (2020: £nil) was received from government funding through specific hospice grants from NHS England and the government's Job Retention Scheme (furlough).

### Investment powers and policy

In accordance with the Articles of Association, the Trustees have the power to invest in such investments, securities or property as they see fit. The policy of the Board of Trustees is to invest the monies of the charity in a broad-based portfolio. The portfolio comprises two funds with differing investment objectives and strategies. The first and larger principally equity-based fund aims to achieve long-term capital and income growth that keeps pace with the underlying rate of inflation. This is complemented by a smaller absolute return-based fund designed to achieve positive returns in all market conditions, giving Trustees the ability to draw on the investment without risking significant capital loss. The Trustees regularly review, at least on an annual basis, the proportion of the investments held in different asset classes. The performance of the portfolio is monitored and assessed in comparison with agreed composite benchmarks.

St. Leonard's Hospice does not invest in companies that are significantly engaged in, i.e. derive more than 10% of their revenue or profits from, the manufacture of tobacco products. Fund managers appointed by the Hospice are encouraged to actively engage in Environmental, Social and Governance (ESG) issues.

The Hospice's investments are overseen by the Finance & Investment Committee. Surplus funds are invested in the Sarasin Endowments Fund Class A inc., the BlackRock ICS Sterling Liquidity Fund (closed during the year), the CCLA COIF Charities Deposit Fund or the Ruffer Charity Assets Trust. Investment funds rose in value by £2,255,971 (2020: fell by £345,805) during the year as a result of the recovery in world stock markets following the sharp fall in March 2020 triggered by the COVID-19 pandemic. Performance during the year compared favourably to the strategic benchmark.

### Reserves policy

St. Leonard's Hospice aims to maintain its free reserves in the range of 12 to 24 months forward expenditure, with 18 months being the target level. In setting its Reserves Policy, the Board of Trustees has considered the guidance in 'CC19 Charities and Reserves' and taken its strategic aims into account. To support its strategic aims, the Board may establish designated funds as appropriate for planned significant capital expenditure projects and new service initiatives.

In setting the target level of free reserves, the Board of Trustees has considered

- the nature of services provided and the need to provide stakeholders with reassurance about the continuation and development of services for the long term
- the charity's dependence on and the volatile nature of legacy income
- its working capital and cashflow requirements
- the generally fixed nature of its service delivery costs
- the use of reserves to fund planned deficit budgets should this be required or to fund running costs if income fell short of expenditure in a particular year
- a contingency for significant unplanned expenditure
- a contingency for a significant unplanned shortfall in voluntary income and/or the proceeds of income generation activities.

The Reserves Policy is reviewed by the Board of Trustees on an annual basis.
The current level of funds held by the charity at the year-end amounted to £21,580,783 (2020: £19,068,094) and included restricted funds of £109,726 (2020: £79,243). After deducting restricted funds and funds held as functional assets, the charity had free reserves of £16,714,495 (2020: £14,123,163). This represents 26 months' forward expenditure, which is an increase of 4 months compared to the position at 31 March 2020, mainly attributable to the exceptional increase in value of the investment portfolio.

**Income generation activities**

The team has worked hard, innovating across all areas of fundraising in order to fund as much care as possible. We were very conscious that at a time of reduced income, we were facing increased demand for our services and were on the frontline against COVID-19. We have been humbled by the support of the local community.

The outbreak of COVID-19 meant that the Income Generation team had to quickly adapt to the cancellation of events, in line with implementing our updated fundraising strategy, with a focus on growing donations, regular giving, legacies, and our lottery – all of which were resistant to the disruption of the pandemic.

The fundraising team's focus was not only on mitigating the impact of the pandemic on income by launching the emergency 'Unite and Protect' Campaign and virtual events, but also long-term to ensure we have the right teams, processes and fundraising offers in place.

Notable fundraising successes included converting two key events (Midnight Walk and Light up a Life) to virtual events, which received positive feedback. Indeed, Light up a Life was the most successful Light up a Life in gross terms.

Income loss has been primarily mitigated through a series of postal appeals. We also had great success with our Rainbow of Ribbons campaign, which performed extremely well, bringing in twice its target.

We had to rethink how we operate St. Leonard's Hospice Lottery. During the various lockdowns, we ceased our house-to-house cash collections that historically accounted for 25% of income. In order to mitigate this loss of income we worked with our agency Starvale to convert cash players to direct debit or cheque. We also relaunched the Weekly Lottery and have looked to new ways to market this.

Retail performance in 2020/21 was inevitably seriously affected by the closure of our shops during successive lockdown periods and restricted trading following reopening. We made the difficult decision to close two shops, but were delighted that we could redeploy all staff with no redundancies. Our current retail activity will develop in line with the requirements of social distancing and also changing customer behaviour.

We have seen early success with our newly-launched EBay shop, which has provided a vital source of retail income during shop closures; we will continue to develop our ecommerce operation.

**Our approach to fundraising and compliance**

St. Leonard's Hospice is reliant on the goodwill and support of the local community in order to provide its services to patients and their families completely free of charge. The Hospice enjoys a privileged status and an excellent reputation and with this comes a responsibility to live up to the very highest standards.

All income generation activities are undertaken within charity law, Charity Commission regulations, HMRC rules, the Gambling Act, local licensing laws, Advertising Standards Authority rules and data protection laws. This list is not exhaustive.

We continue to be registered with, and pay an annual levy to, the Fundraising Regulator and are fully compliant with the Fundraising Code of Practice. We comply with all legislative requirements, but also strive to adopt best practice in all that we do; we constantly review this approach.

As part of our fundraising efforts, we may work with commercial businesses, where as part of the activity we may promote and advertise their products in return for a donation or agreed share of profits. When we do so, we enter into a commercial participation agreement setting out specifics to protect our privileged reputation and ensure compliance with relevant legislation.

St. Leonard's has an effective, open and accessible complaints policy, details of which can be found in our reception, within our shops, and on our website. We received no reportable complaints (2020: none) relating to our fundraising practices in the year ending 31 March 2021.

**External fundraisers**

We only use the service of one external provider to fundraise on our behalf, Starvale Management and Technologies Ltd (Company No: 3723339), who manage and promote the St. Leonard's Hospice Lottery. Plans for recruiting players to the St. Leonard's Hospice Lottery are discussed in advance in consultation with Starvale to ensure compliance and best practice.

Starvale is licensed and regulated by the Gambling Commission to promote non-remote and remote lotteries and also to supply, install and adapt Gambling Software to promote a lottery. All of the Starvale representatives receive Gambling Commission training (inclusive of vulnerable persons training) and are trained in and adhere to the Fundraising Regulators Rule

Book for Face to Face Fundraising. Starvale is audited annually on the Gambling Commission subset of ISO27001:2013. The audit report is available on request.

There were no reportable complaints (2020: no complaints) relating to the activity undertaken by Starvale on behalf of the Hospice. A complaints log is sent to St. Leonard's Hospice on a weekly basis.

In the year ending 31 March 2021, 49.8%. (2020: 50.4%) of the proceeds from weekly draws and seasonal super draws were used to fund the work of the Hospice.

**Responsibility towards the environment**

St. Leonard's continues to develop its responsibility towards the environment. During the year ending 31 March 2021, the Hospice Environment Group made up of staff from across the organisation continued to actively promote recycling and raise awareness of environmental issues within the constraints of COVID -19 restrictions.

**Plans for future periods**

*The Process*
The strategic vision for St. Leonard's Hospice in the future needs not only to be responsive in the short term but also to ensure services are responsive and meet the needs of service users. It is vital that the strategy also takes into account the affordability and long-term financial sustainability of the organisation.

The Hospice uses a range of approaches when considering future services and shaping the strategic vision. The Clinical Commissioning Group's strategic plan for end of life care is central to our plans and we discuss this with the commissioners and other providers within the Humber Coast and Vale Integrated Care System (ICS). We are also activity engaged with local GP's through the York Health and Care Collaborative Steering Group and through this forum will start to evaluate the future needs of our local population.

The Trustees play a vital role in formulating the strategic vision through discussions and papers at the Service Development and Governance sub-committees in particular, but also through the annual trustee strategic planning day.

Potential strategic developments are supported by budget proposals and recommendations to the Board of Trustees from relevant sub-committees.

*The Plans*

- To rebuild and reset the strategic vision in light of COVID-19 and the organisation's response to it
- To continue to work collaboratively with the Vale of York Clinical Commissioning Group (CCG) in the delivery of the strategy for End of Life care
- To establish the needs of the local population as part of that strategy especially in relation to community-based services
- To continue to review income and expenditure and to work towards a balanced budget in future years.

- Managing the ongoing challenges of COVID-19 associated with staff wellbeing, absence and engagement

- To ensure that the Hospice remains the employer of choice in response to shortages of staff in the health/care sectors

- To continue to improve the quality of services for our patients in line with the CQC inspection framework for hospices

**Main objectives and strategies for 2021/2022**

- To further embed the Hospice values, behaviours and strategic aims across all areas and to identify and deliver work streams for achieving those aims

- To consolidate and build on the fast track funding project with the Vale of York Clinical Commissioning Group and to review the efficacy, impact and quality of service developments created in response to COVID-19

- To continue to review IPU bed occupancy and H@H activity to ensure staff are deployed to maximise responsiveness of services

- To understand and review the short and medium term future of the Sunflower Centre in light of COVID-19, the need to shield vulnerable patients and maintain appropriate social distancing requirements

- To develop a digital strategy for the organisation to maximise efficiency and reduce the reliance on paper processes across all areas

- To review all our human resources/people policies and practices in line with best practice

- To continue to utilise the staff engagement group to improve engagement and communication across the Hospice

- To continue to develop the Hospice Hub (employer engagement platform) as a resource for reward, recognition, support and communication for staff

- To review and develop our organisational leaders to ensure strong visible, innovative leadership for our teams

- To ensure St. Leonard's Hospice is represented on external forums and involved with shaping and defining services for patients in the Vale of York and surrounding areas across Humber, Coast and Vale

- To review and develop our volunteering offer across all areas of the Hospice

# St. Leonard's Hospice York

**Trustees Annual Report for the year ending 31 March 2021**

## Reference and administrative details

Charity Number: 509294
Company Number: 01451533
Registered Office: 185 Tadcaster Road, York, YO24 1GL

## Our advisors

| | | |
|---|---|---|
| Auditor | Garbutt & Elliott Audit Limited | Triune Court, Monks Cross Drive, York, YO32 9GZ |
| Bankers | National Westminster Bank | 1 Market Street, York, YO1 8SR |
| Solicitors | Hague & Dixon | Bank House, 1 The Square, Stamford Bridge, York, YO41 1AG |
| | Lupton Fawcett | Stamford House, Piccadilly, York, YO1 9PP |
| Investment Managers | Sarasin & Partners LLP | Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU |
| | Ruffer LLP | 80 Victoria Street, London, SW1E 5JL |
| | BlackRock Investment Management (UK) Limited | 12 Throgmorton Avenue, London, EC2N 2DL |
| | CCLA | Senator House, 85 Queen Victoria Street, London, EC4V 4ET |

**Key management personnel: St. Leonard's Hospice York**

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees and officers serving during the year and since the year end were as follows:

| | | |
|---|---|---|
| Trustees and directors: | Dr Dan Cottingham | |
| | David Dickson (Chair) | |
| | Alistair Duncan (retired June 2021) | |
| | Sandra Falcus | |
| | Prof Kate Flemming | |
| | Khushbu Goulden (appointed June 2021) | |
| | Juliette Healey | |
| | Prof Mike Holmes | |
| | Eamonn Keogh | |
| | David Miller | |
| | Jacqueline Myers | |
| | Dr Lavinia Norton | |
| | Michael Sturge | |
| | Tony Taylor (appointed June 2021) | |
| Company Secretary: | Karen Johnson | (resigned May 2021) |
| | David Jones | (appointed August 2021) |
| Senior Management Team: | Emma Johnson | (Chief Executive) |
| | Karen Johnson | (Deputy Chief Executive) (resigned May 2021) |
| | Jenny Brandom | (Director of Clinical Services) (appointed Deputy Chief Executive June 2021) |
| | Dawn Clements | (Director of Income Generation) |
| | Dr Bill Hulme | (Medical Director) |
| | Ingrid Jenner | (Director of People) |
| | David Jones | (Head of Finance) (appointed August 2021) |

**Key management personnel: St. Leonard's Hospice Enterprises Limited**

| | | |
|---|---|---|
| Directors: | David Dickson | |
| | Alistair Duncan | (retired June 2021) |
| | David Miller | (Chair) |
| | Mark Shepherd | |
| Company Secretary: | Karen Johnson | (resigned May 2021) |
| | David Jones | (appointed August 2021) |

## Structure, governance and management

### Governing document

St. Leonard's Hospice York is a company limited by guarantee governed by its Articles of Association which were last amended by Special Resolution on 29 October 2019.

### Appointment of Trustees

The Hospice has a robust and transparent process for the recruitment of Trustees that plays a crucial role in ensuring the Board can draw on a diverse range of skills, expertise, experience and backgrounds and that the Board is as representative of the community we serve as possible.

Recruitment to the Board is a two-stage process. Firstly, we invite members of the public who are prepared to act as a voluntary trustee to express their interest and undertake our selection process. Successful applicants are recorded on our Register of Potential Future Trustees. Secondly, the Board identifies a vacancy and invites an individual on the Register of Potential Future Trustees to fill the vacancy. It is usual for potential future trustees to serve as a co-opted member of one of the sub-committees of the Board before becoming a trustee.

Full information about the recruitment process for Trustees including our Recruitment and Appointment of Trustees policy is published on our website www.stleonardshospice.org.uk. Trustees are, if appropriate, re-appointed by the Board at the end of each three-year term and Trustees must retire after serving for 12 consecutive years. The maximum term of service exceeds the 9 years recommended by the Charity Governance Code. However, the Board of Trustees has agreed that a longer maximum term of service is more appropriate for a local service delivery charity like St. Leonard's and enables it to achieve the optimum balance of skills and experience on the Board.

### Trustee induction and training

St. Leonard's operates an induction process for new Trustees to prepare them for their role. Trustees participate in in-house training programmes and attend external courses as necessary. They also attend meetings and conferences with their counterparts from other UK hospices and charities.

### Organisation and governance

The Board of Trustees administers the charity. The Board normally meets quarterly and in addition holds an annual Strategy Day. Sub-committees (Finance& Investment, Governance, Membership, People & Culture, Income Generation and Service Development) meet between 2 and 6 times a year. Sub-committees are made up of Trustees with the appropriate knowledge and experience, along with outside advisors be they paid or voluntary where the committee deem it necessary.

The Board reviews its performance annually through a confidential board consultation and review exercise conducted by a trustee member of the Membership Committee. In July 2020, the Board employed an external consultant to undertake an independent governance review.

The Board of Trustees endeavours to comply with the principles and recommended practice of the Charity Governance Code. St. Leonard's benchmarks its policies, practices and procedures against the code.

The Chief Executive and senior management team are appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive and the senior management team under the direction of the Chief Executive have delegated authority for operational matters under the scheme of delegation.

**Related parties and co-operation with other organisations**
None of the Trustees receive remuneration or other benefit from their work with the charity.

Any connection between a Trustee, co-opted committee member or member of the senior management team, and a supplier, funder, supporter, organisation working collaboratively with or beneficiary of the charity must be disclosed to the Board of Trustees in the same way as any other contractual relationship with a related party.

During the year, the Trustees made personal unconditional donations including donated goods under the retail gift aid scheme totalling £961 (2020: £1,312) to the charity. In addition, donations totalling £4,992 (2020: £100,000) were received from Charitable Trusts that had a common Trustee with the Hospice. There was no event sponsorship income from businesses of which a Trustee is a Director (2020: £3,000).

St. Leonard's works collaboratively with a number of organisations including other local hospices and local healthcare providers. In doing so, our aim is to improve palliative and end of life care for local people.

The Hospice is also represented on:

- NHS Vale of York Clinical Commissioning Group - End of Life Locality Group
- East Riding and Humber Clinical Commissioning Groups – End of Life Locality Groups
- Humber Coast and Vale Integrated Care System – Palliative and End of Life Care Group
- York Health and Care Collaborative
- York Health and Care Alliance Board
- Member of Hospice UK
- Yorkshire Hospices Forum
- Forum of Hospice Chairman

The charity's wholly-owned subsidiary company, St. Leonard's Hospice Enterprises Limited, trades on the charity's behalf to generate income from trading activities including the sale of Christmas cards and fancy goods, which are outside the charity's objects and are for commercial and fundraising purposes.

### Pay policy for senior staff

The pay of the Chief Executive and senior management team is reviewed annually and is normally increased in line with that in local NHS Trusts and similar charities.

### Risk management

The Trustees have identified resources and established review systems to manage organisational risk.

The Governance sub-committee of the Board receives regular reports covering the management of clinical, health & safety, information and other risks, along with notification of any matters reported to any regulatory authority. Financial risks are reported via the Finance and Investment Committee.

The Trustees maintain a register of the risks faced by the charity and its subsidiary. The risk register is continually reviewed by the Senior Management Team, and by the Governance Committee on a quarterly basis. The risk register records the risks that may arise in each area of the charity's operation, along with the policies, systems and procedures in place to mitigate them.

Risks are identified, assessed, and scored according to their likelihood and impact. Appropriate steps are then taken to mitigate them in day to day operations.

The principal risks and uncertainties faced by the Hospice at the time of writing are as follows:

- Reduced capacity across Clinical Services due to shortages of staff in the health/care sectors
- Potential reputational damage from an unanticipated negative event
- The consequences and implications of the COVID-19 outbreak
- Computer network failure or cyber attack
- Unpredictability of legacy income

### Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also Directors of St. Leonard's Hospice York for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement as to disclosure to our auditors**
In so far as the Trustees are aware at the time of approving the annual report:

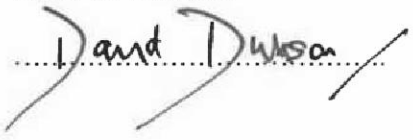
- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and

- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**
The auditors, Garbutt & Elliott Audit Limited, are deemed to be re-appointed annually under section 487(2) of the Companies Act 2006.

The Trustees' Report which includes the Strategic Report, was approved by the Board of Trustees and signed on its behalf by:

David Dickson
Chair of Trustees



## Opinion

We have audited the financial statements of St. Leonard's Hospice York (the "parent charity") and its subsidiary (the "group") for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the related Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021 and of 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 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 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

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

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the Trustees**
As explained more fully in the trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

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

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.

**Extent to which the audit was considered capable of identifying irregularities, including fraud**
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Trustees and other management, and from inspection of the society's regulatory and legal correspondence.

We discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The charity is subject to laws and regulations that directly affect the financial statements including company law, charity law, financial reporting legislation, pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising safeguarding, environmental, health and safety and employment legislation, and, in the current economic climate, Covid regulations.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the charity to commit fraud. Our risk assessment procedures included: enquiry of Trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures we identified the greatest potential for fraud in the following areas:
- income recognition and in particular the risk that income is recognised in the wrong reporting period; and
- subjective accounting estimates.

Both fraud risks arise due to a potential desire to present weaker results in order to secure additional funding.

As required by auditing standards we also identified and addressed the risk of management override of controls. We performed the following procedures to address the risks of fraud identified:
- identifying and testing high risk journal entries through vouching the entries to supporting documentation;
- assessing significant accounting estimates for bias; and
- testing the recognition of income and in particular that it was appropriately recognised or deferred.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Laura Masheder*

22/11/2021

Laura Masheder (Senior Statutory Auditor)
For and on behalf of Garbutt & Elliott Audit Limited
Chartered Accountants
Statutory Auditor

.....
Triune Court
Monks Cross Drive
York
YO32 9GZ

# St. Leonard's Hospice York

**Consolidated Statement of Financial Services as at 31 March 2021**

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2021 £ | Total Funds 2020 £ |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 4 | 2,345,297 | 190,871 | 2,536,168 | 2,036,370 |
| *Income from charitable activities:* | | | | | |
| Grants and contract income | 5 | 1,448,029 | 1,999,933 | 3,447,962 | 1,880,366 |
| *Income from other trading activities:* | | | | | |
| Shops | 6 | 707,014 | - | 707,014 | 2,072,636 |
| Lottery | 7 | 352,459 | - | 352,459 | 396,513 |
| Fundraising and other activities | 8 | 190,285 | - | 190,285 | 158,607 |
| Investment Income | 9 | 348,872 | - | 348,872 | 345,581 |
| **Total income** | | **5,391,956** | **2,190,804** | **7,582,760** | **6,890,073** |
| **Expenditure on:** | | | | | |
| *Costs of raising funds:* | | | | | |
| Donations and legacies | 11 | 492,566 | - | 492,566 | 524,309 |
| Shops | 6 | 1,437,016 | - | 1,437,016 | 1,525,332 |
| Lottery | 7 | 176,848 | - | 176,848 | 196,460 |
| Fundraising and other activities | 8 | 112,559 | - | 112,559 | 120,315 |
| Investment Management Costs | 11 | 75,397 | - | 75,397 | 73,687 |
| *Expenditure on charitable activities:* | | | | | |
| In-patient Care | 11 | 1,948,454 | 1,794,075 | 3,742,529 | 3,554,967 |
| Sunflower Centre | 11 | 164,135 | - | 164,135 | 346,940 |
| Hospice@Home | 11 | 548,585 | 366,246 | 914,831 | 590,714 |
| Lymphoedema Service | 11 | 24,194 | - | 24,194 | 47,252 |
| Bereavement and Family Support | 11 | 185,967 | - | 185,967 | 176,932 |
| **Total expenditure** | 11 | **5,165,721** | **2,160,321** | **7,326,042** | **7,156,908** |
| **Net income/ (expenditure) before other recognised gains/ (losses)** | | **226,235** | **30,483** | **256,718** | **(266,835)** |
| Realised and unrealised gains/ (losses)on investments | 18 | 2,255,971 | - | 2,255,971 | (345,805) |
| Realised and unrealised gains on investment property | | - | - | - | 10,000 |
| **Net income/ (expenditure) and net movement in funds** | | **2,482,206** | **30,483** | **2,512,689** | **(602,640)** |
| Total funds brought forward | | 18,988,851 | 79,243 | 19,068,094 | 19,670,734 |
| **Total funds carried forward** | 23 | **21,471,057** | **109,726** | **21,580,783** | **19,068,094** |

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

A fully detailed comparative Statement of Financial Activities for the year ending 31 March 2020 is shown at note 29.

# St. Leonard's Hospice York

**Balance Sheets 31 March 2021**

| | Notes | Charity 2021 | Charity 2020 | Group 2021 | Group 2020 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Tangible assets | 17 | 4,756,562 | 4,865,688 | 4,756,562 | 4,865,688 |
| Investments | 18 | 14,516,454 | 11,747,901 | 14,516,454 | 11,747,901 |
| Investment properties | 18 | 105,000 | 105,000 | 105,000 | 105,000 |
| Cash deposits | | 19 | 404 | 19 | 404 |
| Non-charitable trading subsidiary | 18 | 100 | 100 | - | - |
| **Total fixed assets** | | 19,378,135 | 16,719,093 | 19,378,035 | 16,718,993 |
| **Current assets** | | | | | |
| Stock | 19 | 808 | 225 | 18,809 | 15,921 |
| Debtors | 20 | 1,973,080 | 2,060,544 | 1,795,162 | 2,237,195 |
| Cash at bank and in hand | | 605,914 | 479,556 | 780,510 | 539,968 |
| **Total current assets** | | 2,579,802 | 2,540,325 | 2,594,481 | 2,793,084 |
| **Liabilities** | | | | | |
| Creditors falling due within one year | 21 | (389,694) | (440,717) | (391,733) | (443,983) |
| **Net current assets** | | 2,190,108 | 2,099,608 | 2,202,748 | 2,349,101 |
| **Net assets** | 23 | **21,568,243** | **18,818,701** | **21,580,783** | **19,068,094** |
| **The funds of the charity** | | | | | |
| **Unrestricted Funds:** | | | | | |
| Unrestricted income funds | | 21,458,517 | 18,739,458 | 21,458,517 | 18,739,458 |
| Non-charitable trading funds | | - | - | 12,540 | 249,393 |
| | | 21,458,517 | 18,739,458 | 21,471,057 | 18,988,851 |
| **Restricted income funds** | 10 | 109,726 | 79,243 | 109,726 | 79,243 |
| **Total charity funds** | 23 | **21,568,243** | **18,818,701** | **21,580,783** | **19,068,094** |

The notes on pages 26 - 45 form part of these financial statements.

The financial statements were approved by the Board on 15th November 2021 and signed on its behalf by:

David Dickson
**Chair of Trustees**

Michael Sturge
**Trustee**

**Company registration number: 01451533**

# St. Leonard's Hospice York

**Statement of Cash Flows 31 March 2021**

| | Notes | 2021 £ | 2020 £ |
|---|---|---|---|
| **Net cash provided by/ (used in) operating activities** | 28 | **596,464** | **(84,908)** |
| **Cash flows from investing activities:** | | | |
| Dividends, interest and rent from investments | | 349,621 | 346,216 |
| Purchase of property, plant and equipment | | (102,818) | (435,962) |
| Proceeds from the sale of property, plant and equipment | | 800 | 15,035 |
| Payments to acquire investments | | (2,022,349) | (1,701,765) |
| Proceeds from the disposal of investments | | 1,418,439 | 2,011,734 |
| **Net cash (used in)/ provided by financing activities** | | **(356,307)** | **235,258** |
| **Change in cash and cash equivalents in the year** | | 240,157 | 150,350 |
| Cash and cash equivalents at the start of the year | | 540,372 | 390,022 |
| **Total cash and cash equivalents at the end of the year** | | **780,529** | **540,372** |
| **Analysis of cash and cash equivalents** | | | |
| Cash at bank and in hand | | 780,510 | 539,968 |
| Cash deposits (less than 3 months notice) | | 19 | 404 |
| | | **780,529** | **540,372** |

## 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### (a) Company information

St. Leonard's Hospice York is a company limited by guarantee, governed by its Articles of Association which were last amended by special resolution on 29 October 2019, and a charity registered in England and Wales. The registered office is 185 Tadcaster Road, York, YO24 1GL.

### (b) Accounting convention

The financial statements have been prepared on a going concern basis 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 (FRS 102) (effective 1 January 2019) (Charities SORP(FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

St Leonard's Hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS 102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

### (c) Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and not less than one year from the date of approval. The Trustees are constantly monitoring the financial position of the charity and the ongoing uncertain situation in respect of COVID-19. The charity has no borrowings and receives substantial funding from government grants and contracts, of which significant amounts have already been secured for the 2021/22 financial year, as such the pandemic is not expected to give rise to a material fluctuation in the funds of the charity, however this is being constantly monitored.

### (d) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary St Leonard's Hospice Enterprises Ltd 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. The result for the year dealt with in the charity's Financial Statements is disclosed in note 3.

### (e) Income

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

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

1. **Accounting policies (cont'd)**

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Hospice that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy in whole or part, is only considered probable when the amount can be measured reliably and where the Hospice is not aware of any potential challenge to the estate. 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 22).

Income received in advance of fundraising events is deferred until the event has taken place and the criteria for income recognition are met.

(f) **Donated goods, services and facilities**

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

In accordance with Charities SORP(FRS 102), the value of volunteer time is not recognised in the financial statements. Please refer to the Trustees' Annual Report for more information.

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

Income from goods donated for sale in the charity's shops is recognised at point of sale. As a result of the high volume of low value donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

(g) **Investment income**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of interest paid or payable.

Rents from investment properties are included when they are receivable by the charity.

Dividend income from investment funds is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of dividends paid or payable.

(h) **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations or other income which the donor or funder has specified are to be used for particular areas of the charity's work.

1. **Accounting policies (cont'd)**

(i) **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprises the costs of raising funds from voluntary income and through fundraising activities including events, charity shops and lotteries and their associated support costs.
- Expenditure on charitable activities includes the cost of caring for patients either as in-patients or out-patients at the Hospice or in their own homes through the Hospice@Home service, bereavement and family support and educational activities undertaken to further the purposes of the charity and their associated support costs.
- Investment management costs reflect the cost of managing the Hospice's investment portfolio.
- Other expenditure represents those items not falling under any other heading.

St. Leonard's is able to reclaim most of the VAT it incurs. A small amount of irrecoverable VAT is included in support costs.

(j) **Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration, finance, human resources, information systems and governance costs which support the services providing care to patients and families.

These costs have been allocated between the costs of raising funds and expenditure on charitable activities on the basis set out in note 11.

(k) **Operating leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

(l) **Pensions**

The charity operates a number of pension arrangements for the benefit of employees which include both defined benefit and defined contribution schemes. The assets of the schemes are held separately from those of the charity and are invested in either the NHS Pension Scheme, the Legal and General Workplace Pension Scheme or the personal pension schemes of certain employees, all of which are run independently from the Hospice. The charge to the Statement of Financial Activities represents the contributions payable by the charity to the schemes during the year.

The defined benefit NHS scheme is not designed in such a way that allows individual employers to identify their share of the assets and liabilities and the scheme is unfunded. In accordance with FRS 102 the scheme has been accounted for as if it was a defined contribution scheme.

(m) **Staff costs**

The costs of short term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

1. **Accounting policies (cont'd)**

(n) **Investments**

Investments (other than investments in subsidiaries) are stated at market value at the balance sheet date.

The investment portfolio, see note 18, is held to generate returns and gains for the group and accordingly is designated as fair value through profit and loss ("FVTPL"). Under this designation the portfolio is re-valued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the Statement of Financial Activities.

For the purposes of the cash flow statement, the short term cash deposits held for reinvestment within investments have been treated as cash.

Investment properties which are properties held to earn rentals and/or for capital appreciation, are measured using the fair value model and are stated at their fair value at the reporting date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

(o) **Tangible fixed assets**

Individual fixed assets costing more than £2,500 are capitalised and included at cost and are depreciated over their estimated useful economic lives in annual instalments, with a full year's charge in the acquisition year and no charge in the year of disposal as follows:

| | |
|---|---|
| Freehold property | 2% Straight Line Basis |
| Leasehold property | Over the period of the lease |
| Retail point of sale system | 20% Straight Line Basis |
| Plant | 5% to10% Straight Line Basis |
| Medical equipment | 10% to 20% Straight Line Basis |
| Furniture, fittings and other equipment | 10% to 20% Straight Line Basis |
| Motor vehicles | 20% to 25% Straight Line Basis |

Buildings are regularly reviewed for indications of impairment. Where there is an impairment, the difference between the assessed recoverable value of the building and its written down cost is charged to the Statement of Financial Activities.

Freehold land is not depreciated.

(p) **Stock**

Stock of bought in goods is valued at the lower of cost and net realisable value.

It is impractical to estimate the fair value of goods donated for sale in the charity's shops due to the high volume of these items and to include it on the balance sheet. The value of these goods to the charity is instead recognised when they are sold in the shops.

(q) **Financial instruments**

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

1. **Accounting policies (cont'd)**

(r) **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowing in current liabilities.

(s) **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

(t) **Creditors, loans and provisions**

Creditors, loans and provisions are recognised where the group 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, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

(u) **Critical accounting estimates and judgements**

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

**Critical estimates**

**Depreciation of tangible assets**

Depreciation policies have been set according to management's experience of the useful lives of the assets in each category, something which is reviewed annually.

The charity incurs expenditure on creating tangible fixed assets for use in the charity with costs being incurred over a number of months. The Trustees believe it is possible to segregate these

1. **Accounting policies (cont'd)**

costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

**Legacies**
Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and where sufficient information is available to allow it to measure its entitlement.

**2. Legal status of the charity**

St. Leonard's Hospice York 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 £1 per member (the charity's trustees are also its members).

**3. Financial performance of the charity**
The consolidated Statement of Financial Activities includes the results of the charity's wholly owned subsidiary which sells bought-in goods including Christmas cards.

The summary financial performance of the charity alone is:

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Income | 7,406,751 | 6,610,769 |
| Gift Aid from subsidiary company | 392,483 | 35,391 |
| | 7,799,234 | 6,646,160 |
| Expenditure | (7,305,663) | (7,114,456) |
| **Net income/ (expenditure)** | 493,571 | (468,296) |
| Investment gains/ (losses) | 2,255,971 | (335,805) |
| Total funds brought forward | 18,818,701 | 19,622,802 |
| **Total funds carried forward** | 21,568,243 | 18,818,701 |
| Represented by: | | |
| Unrestricted income funds | 21,458,517 | 18,739,458 |
| Restricted income funds | 109,726 | 79,243 |
| | 21,568,243 | 18,818,701 |

### 4. Income from donations and legacies

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Donations | 1,146,124 | 1,121,453 |
| Legacies | 1,390,044 | 900,327 |
| Donated goods and services | - | 14,590 |
| | 2,536,168 | 2,036,370 |

St Leonard's is grateful to a number of individuals and local businesses for providing goods and services with a total value of £nil (2020: £14,950) to the charity without charge during the year. The estimated value of these goods and services is recognised within income as a donation, and an equivalent charge included within the relevant cost heading.

The Hospice benefits greatly from the involvement of its many volunteers, details of which are given in the Trustees' Annual Report. In accordance with FRS 102, the economic contribution of volunteers is not recognised in the financial statements.

### 5. Income from charitable activities

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| *Grants and contract income from Clinical Commissioning Groups:* | | |
| Inpatient and day services | 1,353,302 | 1,306,238 |
| Hospice@Home | 340,000 | 340,000 |
| Patient discharge project | - | 48,000 |
| Extension of Hospice services | - | 33,000 |
| Specialist nursing services | - | 33,621 |
| | 1,693,302 | 1,760,859 |
| *Other funding:* | | |
| NHS Pension contributions paid directly by NHS England | 94,726 | 96,466 |
| COVID-19 grant paid by NHS England | 1,161,466 | - |
| Coronavirus Job Retention Scheme | 434,429 | - |
| Project Echo | 64,039 | 23,036 |
| Patients' private health plans | - | 5 |
| Total income from charitable activities | 3,447,962 | 1,880,366 |

Included within the restricted funds is contract income of £340,000 (2020: £340,000) from Vale of York CCG through the Better Care Fund to fund the extended Hospice@Home service which operates from 8am to midnight, seven days a week; £nil (2020: £48,000) from Vale of York CCG to explore systems and processes to fund care packages for End of Life patients discharged into the community; £nil (2020: £33,000) from Vale of York CCG through the Better Care Fund to fund the extension of Hospice services and £nil (2020: £33,621) from Humber NHS Foundation Trust to provide specialist nursing services to the Pocklington Group GP Practice (1 April 2019 to 30 September 2019).

As the locally appointed provider, St Leonard's received £64,039 (2020: £23,026) of funding as part of Project Echo from Health Education England through Humber Coast and Vale STP to engage with other providers to support palliative care in non-hospice setting.

A 6.3% increase in NHS Pension Scheme employer contributions effective from 1 April 2019 was funded centrally by NHS England and is reflected in both income and expenditure on staff costs in these accounts. The cost of the increase was £94,726 (2020: £96,466).

Vale of York CCG funds the cost of drugs and other pharmaceutical services provided to Hospice patients by York Hospitals NHS Foundation Trust under the arrangements outlined in the Department of Health Executive Letter 94. The funding for this arrangement is not reflected in these financial statements.

### 6. Income and expenditure from other trading activities - shops

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Income from the sale of donated goods | 527,934 | 1,787,955 |
| Income from the sale of bought in goods (through trading subsidiary) | 41,014 | 84,681 |
| Retail grant (through trading subsidiary) | 138,066 | 200,000 |
| Total income from shops | 707,014 | 2,072,636 |
| Costs of buying in goods | (20,988) | (36,702) |
| Staff costs | (842,618) | (887,812) |
| Other costs | (573,410) | (600,818) |
| Total expenditure on shops | (1,437,016) | (1,525,332) |
| Net (loss)/ profit arising from shops | (730,002) | 547,304 |

The net loss arising from shops in the year is before the allocation of COVID-19 grant paid by NHS England and Job Retention scheme government furlough funding (see Note 5), of which £313,998 was directly attributable to shops.

The wholly owned trading subsidiary St Leonard's Hospice Enterprises Ltd is incorporated in England and Wales (company number 02589172) and donates all its profits to the charity under the gift aid scheme. St Leonard's Hospice Enterprises Ltd Limited sells bought in goods, including Christmas cards.

The summary financial performance of the subsidiary alone is:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Trading Income | 41,014 | 84,681 |
| Retail grant | 138,066 | 200,000 |
| Cost of sales and administration costs | (23,448) | (47,829) |
| Net profit | 155,632 | 236,852 |
| Amount gift aided to the charity | (392,483) | (35,391) |
| Retained in subsidiary | (236,851) | 201,461 |

The assets and liabilities of the subsidiary were:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Current assets | 192,771 | 278,483 |
| Current liabilities | (160,130) | (8,991) |
| Creditors due after more than one year | (20,000) | (20,000) |
| Total net assets | 12,641 | 249,492 |
| Aggregate share capital and reserves | 12,641 | 249,492 |

In the year to 31 March 2021 a donation of £392,483 (2020 £35,391) was made to the parent charitable company.

## 7. Income and expenditure from other trading activities – lottery

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Income from lottery sales | 352,459 | 396,513 |
| Prizes | (36,709) | (36,718) |
| Other lottery costs | (140,139) | (159,742) |
| | (176,848) | (196,460) |
| Total lottery profits | 175,611 | 200,053 |

## 8. Income and expenditure from other trading activities - fundraising and other activities

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Fundraising events and activities | 151,966 | 107,834 |
| Provision of placements/training courses | 14,644 | 16,699 |
| Room hire | 3,000 | 3,000 |
| Catering for staff and visitors | 6,416 | 16,798 |
| Industrial injury claims for treating patients with mesothelioma | 10,794 | 10,887 |
| Generating electricity | 2,610 | 3,153 |
| Miscellaneous income | 855 | 236 |
| Total income from fundraising activities | 190,285 | 158,607 |
| Cost of fundraising events and activities | (112,559) | (120,315) |
| Surplus on fundraising events and activities | 77,726 | 38,292 |

Sponsorship income generated by fundraising activities is accounted for as donations.

## 9. Investment Income

The charity received investment income from the following sources during the year:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Dividends | 340,503 | 320,719 |
| Rents from investment properties | 7,030 | 5,822 |
| Interest on cash deposits | 1,339 | 19,040 |
| | 348,872 | 345,581 |

## 10. Restricted funds

**Year ended 31 March 2021**

| | Balance 1 April 2020 £ | Movement in Funds: Income £ | Expenditure £ | Transfer £ | Balance 31 March 2021 £ |
|---|---|---|---|---|---|
| Hospice@Home service | - | 366,246 | (366,246) | - | - |
| Sunflower Centre | - | | | | |
| Workforce development | 2,340 | - | - | - | 2,340 |
| Project Echo | - | 64,039 | (64,020) | - | 19 |
| ACP Funding | - | 7,500 | - | - | 7,500 |
| Service extension | 33,000 | - | - | - | 33,000 |
| Equipment Funds | 34,815 | 27,468 | (51,017) | - | 11,266 |
| COVID Co-ordinator | - | 55,000 | (16,042) | - | 38,958 |
| NHS England COVID-19 grant | - | 1,595,894 | (1,595,894) | - | - |
| Drugs & oxygen | - | 49,695 | (49,695) | - | - |
| Homelessness Project | - | 22,222 | (13,379) | - | 8,843 |
| Sundry other funds | 9,088 | 2,740 | (4,028) | - | 7,800 |
| | 79,243 | 2,190,804 | (2,160,321) | - | 109,726 |

**Year ended 31 March 2020**

| | Balance 1 April 2019 £ | Movement in Funds: Income £ | Expenditure £ | Transfer £ | Balance 31 March 2020 £ |
|---|---|---|---|---|---|
| Hospice@Home service | - | 392,514 | (392,514) | - | - |
| Sunflower Centre | - | 18,527 | (18,527) | - | - |
| Workforce development | 3,555 | - | (1,215) | - | 2,340 |
| Project Echo | - | 23,036 | (20,036) | (3,000) | - |
| Fast Track funded care | - | 48,000 | (48,000) | - | - |
| Service extension | - | 33,000 | - | - | 33,000 |
| Equipment Funds | 8,687 | 124,384 | (24,056) | (74,200) | 34,815 |
| Sundry other funds | 6,449 | 17,966 | (11,886) | (3,441) | 9,088 |
| | 18,691 | 657,427 | (516,234) | (80,641) | 79,243 |

Where a donor specifies that their donation is to fund a particular service e.g. the Hospice@Home service or the Sunflower Centre, the funds are restricted and applied to cover the cost of that service. In addition to restricted donations, St Leonard's received £340,000 (2020 £340,000) of contract income from the Better Care Fund through Vale of York CCG and £26,246 (2020 £33,621) from NHS Humber Foundation Trust to fund the Hospice@Home service.

St Leonard's is the locally appointed provider of education through the Hospice UK Project Echo initiative to palliative care providers in non-hospice settings. Heath Education England funds the salary and overhead costs of this project.

Vale of York CCG funded our costs to work collaboratively with them to understand the challenges and streamline processes for Fast Track funded care across the health system.

City of York Council allocated £nil (2020 £33,000) from the Better Care Fund during the year to fund the extension of Hospice services.

St Leonard's is grateful to individuals, companies and charitable trusts who fund equipment for use at the Hospice. During the year ending 31 March 2020, this enabled us to replace beds and mattresses on the in-patient unit and to update other equipment. In accordance with the Charities SORP (FRS 102), fixed assets purchased using restricted funds have been transferred to general funds once no on-going restriction applies to their use and all conditions relating to the original donations or grants have been discharged.

## 11. Analysis of expenditure including governance and support costs

| For the year ended 31 March 2021 | Direct Costs | Support Costs | Governance Costs | Total 2021 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Costs of raising funds:* | | | | |
| Donations and legacies | 404,898 | 84,080 | 3,588 | 492,566 |
| Shops | 1,192,949 | 234,077 | 9,990 | 1,437,016 |
| Lottery | 176,848 | - | - | 176,848 |
| Fundraising and other activities | 95,928 | 15,950 | 681 | 112,559 |
| *Investment management costs* | 75,397 | - | - | 75,397 |
| *Expenditure on charitable activities:* | | | | |
| In-patient care | 3,131,625 | 585,899 | 25,005 | 3,742,529 |
| Sunflower Centre | 135,845 | 27,132 | 1,158 | 164,135 |
| Hospice@Home | 757,151 | 151,226 | 6,454 | 914,831 |
| Lymphoedema service | 20,024 | 3,999 | 171 | 24,194 |
| Bereavement and family support | 153,914 | 30,742 | 1,312 | 185,967 |
| **Total expenditure** | 6,144,579 | 1,133,105 | 48,359 | 7,326,042 |

**Support and governance costs**

All governance and support costs are apportioned between the various costs of raising funds and charitable activities according to levels of direct expenditure. This method of apportionment represents a reasonable approximation of the usage of governance and support costs by each activity.

Support costs are included in the above totals as follows:

| | HR, Health & Safety and Volunteers | Finance and Information Systems | Administration | Total 2021 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Donations and legacies | 34,704 | 26,150 | 23,226 | 84,080 |
| Shops | 96,615 | 72,802 | 64,660 | 234,077 |
| Fundraising activities | 6,583 | 4,961 | 4,406 | 15,950 |
| In-patient care | 241,830 | 182,225 | 161,844 | 585,899 |
| Sunflower Centre | 11,199 | 8,439 | 7,494 | 27,132 |
| Hospice@Home | 62,419 | 47,034 | 41,773 | 151,226 |
| Lymphoedema service | 1,651 | 1,244 | 1,104 | 3,999 |
| Bereavement and family support | 12,688 | 9,561 | 8,493 | 30,742 |
| | 467,689 | 352,416 | 313,000 | 1,133,105 |

## 11. Analysis of expenditure including governance and support costs (continued)

| For the year ended 31 March 2020 | Direct Costs | Support Costs | Governance Costs | Total 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Costs of raising funds:* | | | | |
| Donations and legacies | 445,587 | 74,997 | 3,725 | 524,309 |
| Shops | 1,302,686 | 212,112 | 10,534 | 1,525,332 |
| Lottery | 196,460 | - | - | 196,460 |
| Fundraising activities | 102,250 | 17,210 | 855 | 120,315 |
| *Investment management costs* | 73,687 | - | - | 73,687 |
| *Expenditure on charitable activities:* | | | | |
| In-patient care | 3,037,005 | 493,456 | 24,506 | 3,554,967 |
| Sunflower Centre | 297,631 | 46,976 | 2,333 | 346,940 |
| Hospice@Home | 502,022 | 84,496 | 4,196 | 590,714 |
| Lymphoedema service | 40,157 | 6,759 | 336 | 47,252 |
| Bereavement and family support | 150,367 | 25,308 | 1,257 | 176,932 |
| **Total expenditure** | 6,147,852 | 961,314 | 47,742 | 7,156,908 |

**Support and governance costs**

All governance and support costs are apportioned between the various costs of raising funds and charitable activities according to levels of direct expenditure. This method of apportionment represents a reasonable approximation of the usage of governance and support costs by each activity.

Support costs are included in the above totals as follows:

| | HR, Health & Safety and Volunteers | Finance and Information Systems | Administration | Total 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Donations and legacies | 30,746 | 23,867 | 20,384 | 74,997 |
| Shops | 86,958 | 67,502 | 57,652 | 212,112 |
| Fundraising activities | 7,056 | 5,476 | 4,678 | 17,210 |
| In-patient care | 202,299 | 157,036 | 134,121 | 493,456 |
| Sunflower Centre | 19,259 | 14,949 | 12,768 | 46,976 |
| Hospice@Home | 34,640 | 26,890 | 22,966 | 84,496 |
| Lymphoedema service | 2,771 | 2,151 | 1,837 | 6,759 |
| Bereavement and family support | 10,375 | 8,054 | 6,879 | 25,308 |
| | 394,104 | 305,925 | 261,285 | 961,314 |

## 12. Net income for the year

**This is stated after charging:**

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Depreciation of tangible fixed assets | 193,623 | 182,362 |
| Auditor's remuneration: | | |
| - Audit fees | 9,550 | 8,685 |
| - Non audit services | 7,250 | 4,361 |
| Operating lease rentals – land and buildings and equipment | 165,153 | 162,454 |
| Profit on disposal of fixed assets | 800 | 15,035 |

Of the total audit fee, £7,900 (2020: £7,110) related to the charity.

## 13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 4,792,460 | 4,642,425 |
| Social security costs | 407,154 | 400,827 |
| Pension costs | 574,118 | 556,141 |
| | 5,773,732 | 5,599,393 |

The number of employees who received employee benefits during the year in excess of £60,000, classified within bands of £10,000 is:

| | 2021 | 2020 |
|---|---|---|
| £60,001 - £70,000 | 2 | 1 |
| £70,001 - £80,000 | 1 | 1 |
| £80,001 - £90,000 | 1 | 1 |
| £90,001 - £100,000 | 2 | 1 |

The key management personnel of the charity and the group comprise the Trustees, the Chief Executive, Deputy Chief Executive, Director of Clinical Services, Director of People, Medical Director and Director of Income Generation. The total employee benefits of the key management personnel of the charity including on-costs were £593,723 (2020: £516,101). The increase in these costs reflects the addition of a Director of People to the Senior Management Team along with cost of living and other pay awards.

The charity Trustees were not paid and did not receive any employee benefits from the charity or its subsidiary in the year (2020: £nil). There were no costs reimbursed to Trustees by St Leonard's (2020: £930 for 3 Trustees) to attend conferences during the year along with associated travel and subsistence costs.

No charity Trustee received payment for professional or other services supplied to the charity (2020: £nil).

## 13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (cont'd)

**NHS Pension Scheme**

Eligible staff are able to remain in the NHS Pensions Scheme as if they were still in the employment of an employing authority. The NHS Pension Scheme is an unfunded occupational pension scheme backed by the Exchequer, which is open to all NHS employees and employees of approved organisations. The scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The scheme receives contributions from employers and employees to defray the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of benefits payable, and the basis for valuations under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs/pensions.

In the year ended 31 March 2021, the charity made contributions to the NHS Pension Scheme totalling £328,698 (2020: £322,522). Employer contributions were 20.68% and employee contributions were in the range of 5.6% to 13.5% of pensionable pay.

**Other Pension Schemes**

Other employees are entitled to join a defined contribution scheme. The contribution rates to the defined contribution scheme are 9% of pensionable pay for the employer and 5% of pensionable pay for the employees. The charity uses this scheme to meet the requirements of auto-enrolment legislation using the same contribution rates.

In the year ending 31 March 2021, the charity paid contributions to the schemes totalling £245,420 (2020: £233,619).

## 14. Staff numbers

The average monthly head count and the average monthly number of full-time equivalent staff (including part-time and bank staff) during the year were as follows:

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Head Count | Full Time Equivalent | Head Count | Full Time Equivalent |
| Charitable services | 121 | 92 | 122 | 92 |
| Income generation, including shops | 68 | 48 | 66 | 49 |
| Support services | 21 | 15 | 19 | 14 |
| | 210 | 155 | 207 | 155 |

## 15. Government grants

Income from government grants comprises grants from local Clinical Commissioning Groups to support the provision of care by the Hospice and Retail & Leisure Grants under the Government's COVID-19 support package. More information is shown in notes 5 and 6 to the financial statements.

## 16. Taxation

The Hospice is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Hospice is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising. Given this, no tax charge arises on the charity.

The trading subsidiary is liable to corporation tax on its chargeable profits. Current tax, including UK Corporation and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary are gift aided to the parent charitable company within 9 months of the year end, no corporation tax arises.

## 17. Tangible fixed assets
### The Charity and the Group

| | Freehold Property | Leasehold Property | Retail Point of sale System | Plant | Fixtures Fittings & Equip | Medical Equip | Motor Vehicles | Totals |
|---|---|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| **Cost:** | | | | | | | | |
| At 1 April 2020 | 6,590,601 | 49,903 | 38,247 | 77,175 | 151,536 | 177,612 | 158,283 | 7,243,357 |
| Additions | 10,691 | - | - | 4,250 | 39,903 | 9,204 | 20,449 | 84,497 |
| Disposals | - | (12,269) | - | - | (2,979) | (10,263) | (14,517) | (40,028) |
| At 31 March 2021 | 6,601,292 | 37,634 | 38,247 | 81,425 | 188,460 | 176,553 | 164,215 | 7,287,826 |
| **Depreciation** | | | | | | | | |
| At 1 April 2020 | 1,987,891 | 42,511 | 7,650 | 18,840 | 133,236 | 79,524 | 108,017 | 2,377,669 |
| Charge for the year | 121,188 | 1,971 | 7,650 | 6,586 | 12,371 | 16,074 | 27,783 | 193,623 |
| On Disposals | - | (12,269) | - | - | (2,979) | (10,263) | (14,517) | (40,028) |
| At 31 March 2021 | 2,109,079 | 32,213 | 15,300 | 25,426 | 142,628 | 85,335 | 121,283 | 2,531,264 |
| **Net Book Values** | | | | | | | | |
| At 31 March 2021 | 4,492,213 | 5,421 | 22,947 | 55,999 | 45,832 | 91,218 | 42,932 | 4,756,562 |
| At 31 March 2020 | 4,602,710 | 7,392 | 30,597 | 58,335 | 18,300 | 98,088 | 50,266 | 4,865,688 |

Freehold property includes non-depreciable land with a book value of £368,712 (2020: £368,712).

## 18. Fixed asset investments

### Investments

| | The Charity and the Group | |
|---|---|---|
| | 2021 | 2020 |
| | £ | £ |
| Market value at 1 April 2020 | 11,747,901 | 12,492,598 |
| Additions at cost | 2,022,349 | 1,701,765 |
| Disposal proceeds | (1,418,439) | (2,011,734) |
| | 12,351,811 | 12,182,629 |
| Realised and unrealised investment (losses)/gains | 2,255,971 | (345,805) |
| Investment management costs | (76,856) | (72,029) |
| Charges within valuation | (14,472) | (16,894) |
| Market value at 31 March 2021 | 14,516,454 | 11,747,901 |

The historic cost of investments at 31 March 2021 was £9,540,781 (2020: £8,936,871).

### UK Investment Property

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Market value at 1 April 2020 | 105,000 | 95,000 |
| Revaluation | - | 10,000 |
| Market value at 31 March 2021 | 105,000 | 105,000 |

The property was valued by Malcolm Stuart Property Consultants LLP on 6 February 2020 on the basis of open market value. The Trustees have considered the fair value of the property with respect to recent market conditions and property transactions in the local area and are of the opinion that the professional valuation represents fair value at the balance sheet date.

The historic cost of investment property at 31 March 2021 was £15,842 (2020: £15,842).

The total carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £14,621,454 (2020: £11,852,901).

### Investment in subsidiary

| | The Charity | |
|---|---|---|
| | 2021 | 2020 |
| | £ | £ |
| Shares at cost | 100 | 100 |

The charity owns 100% of the share capital of St Leonard's Hospice Enterprises Limited.

## 19. Stock

| | Charity | | Group | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Goods for resale | 808 | 225 | 18,809 | 15,921 |

## 20. Debtors

| | Charity | | Group | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade debtors | 81,715 | 127,079 | 81,889 | 128,609 |
| Amount owed by subsidiary | 178,092 | 25,724 | - | - |
| Other debtors | 62,737 | 65,945 | 62,737 | 65,945 |
| Prepayments | 91,186 | 83,108 | 91,186 | 83,953 |
| Accrued income | 1,559,350 | 1,758,688 | 1,559,350 | 1,958,688 |
| | 1,973,080 | 2,060,544 | 1,795,162 | 2,237,195 |

| | Charity | |
|---|---|---|
| **Amounts Owed by Subsidiary** | 2021 | 2020 |
| | £ | £ |
| Due within one year | 158,092 | 5,724 |
| Loan repayable after more than one year | 20,000 | 20,000 |
| | 178,092 | 25,724 |

The loan to the subsidiary is covered by a debenture which provides for interest to be paid quarterly in arrears at the rate of 2.5% above the base rate of the principal bankers of the Hospice. The date set for repayment is 31 March 2030. The debenture is secured by a floating charge over all real and personal property of the company.

## 21. Creditors: amounts falling due within one year

| | Charity | | Group | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade creditors | 93,793 | 118,891 | 93,852 | 120,267 |
| Taxes and social security costs | 171,241 | 171,941 | 171,241 | 171,941 |
| Other creditors | 686 | 9,928 | 686 | 9,928 |
| Accruals | 123,974 | 139,957 | 125,954 | 141,847 |
| | 389,694 | 440,717 | 391,733 | 443,983 |

## 22. Contingent assets – legacy income

At 31 March 2021, the charity had been notified of its entitlement to 3 (2020: 3) residuary legacies with Probate granted, the value of which is uncertain due to either insufficient information being available or due to potential claims on the estate. At the date when the accounts were signed, no further information had been received and so these legacies have either not been accrued or not been accrued in full.

## 23. Analysis of group net assets between funds

| Fund balances at 31 March 2021 are represented by: | Unrestricted Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|
| Tangible fixed assets | 4,756,562 | - | 4,756,562 |
| Investments | 14,621,473 | - | 14,621,473 |
| Current assets | 2,484,755 | 109,726 | 2,594,481 |
| Current liabilities | (391,733) | - | (391,733) |
| **Total net assets** | 21,471,057 | 109,726 | 21,580,783 |

| Fund balances at 31 March 2020 are represented by: | Unrestricted Funds £ | Restricted Funds £ | Total £ |
|---|---|---|---|
| Tangible fixed assets | 4,865,688 | - | 4,865,688 |
| Investments | 11,853,305 | - | 11,853,305 |
| Current assets | 2,713,841 | 79,243 | 2,793,084 |
| Current liabilities | (443,983) | - | (443,983) |
| **Total net assets** | 18,988,851 | 79,243 | 19,068,094 |

## 24. Post balance sheet events

There are no post balance sheet events (2020: no post balance sheet events).

## 25. Capital commitments (group and charity)

At 31 March 2021, capital commitments amounted to £nil (2020 £nil).

## 26. Operating Lease Commitments (group and charity)

At 31 March 2021, the group and the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows: -

| | 2021 Land & Buildings £ | 2020 Land & Buildings £ | 2021 Other £ | 2020 Other £ |
|---|---|---|---|---|
| Due within one year | 134,134 | 151,574 | 1,929 | 1,929 |
| Due between two and five years | 201,398 | 319,397 | 4,421 | 8,735 |
| | 335,532 | 470,971 | 6,350 | 10,664 |

## 27. Related party transactions

During the year, St. Leonard's Hospice York conducted the following transactions with its subsidiary, St Leonard's Hospice Enterprises Limited:

St. Leonard's Hospice York levied a management charge on St Leonard's Hospice Enterprises Limited amounting to £2,461 (2020: £5,081), a software license charge amounting to £600 (2020: £600) and interest amounting to £520 (2020: £643).

At 31 March 2021, St. Leonard's Hospice York was due £158,092 from St Leonard's Hospice Enterprises Limited (2020: £5,724). In addition to the trading balances St. Leonard's Hospice York was due an amount of £20,000 (2020: £20,000) in respect of a loan in favour of St Leonard's Hospice Enterprises Limited, the interest is secured against the assets of St Leonard's Hospice Enterprises Limited and interest is charged at 2.5% above the base rate of principal bankers.

There were no transactions between the charity and its Trustees during the year that required disclosing as related party transactions under FRS 102.

## 28. Reconciliation of net movement in group funds to group net cash flow from operating activities

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Net movement in funds | 256,718 | (266,835) |
| **Adjustments for:** | | |
| Dividends interest and rents from investments | (348,872) | (345,581) |
| Depreciation charges | 193,623 | 182,362 |
| Profit on sale of fixed assets | (800) | (15,035) |
| Investment management charges | 91,328 | 88,923 |
| (Increase)/ decrease in stocks | (2,888) | 829 |
| Decrease in debtors | 441,284 | 186,930 |
| (Decrease)/ Increase in creditors | (33,929) | 83,499 |
| **Net cash (used in)/provided by operating activities** | **596,464** | **(84,908)** |

An adjustment has been made to the movement in creditors to reflect fixed asset additions included within trade creditors

### Analysis of changes in net funds

| | At 31 March 2020<br>£ | Cash flow<br>£ | At 31 March 2021<br>£ |
|---|---|---|---|
| Cash at bank and in hand | **540,372** | 240,157 | **780,529** |

## 29. Comparative Statement of Financial Activities

**Consolidated Statement of Financial Activities (Including Income and Expenditure Account) for the year ending 31 March 2020**

| | Unrestricted Funds | Restricted Funds | Total Funds 2020 |
|---|---|---|---|
| | £ | £ | £ |
| **Income from:** | | | |
| Donations and legacies | 1,856,600 | 179,770 | 2,036,370 |
| *Income from charitable activities:* | | | |
| Grants and contract income | 1,402,709 | 477,657 | 1,880,366 |
| *Income from other trading activities:* | | | |
| Shops | 2,072,636 | - | 2,072,636 |
| Lottery | 396,513 | - | 396,513 |
| Fundraising activities | 158,607 | - | 158,607 |
| Investment Income | 345,581 | - | 345,581 |
| **Total income** | **6,232,646** | **657,427** | **6,890,073** |
| **Expenditure on:** | | | |
| *Costs of raising funds:* | | | |
| Donations and legacies | 524,309 | - | 524,309 |
| Shops | 1,525,332 | - | 1,525,332 |
| Lottery | 196,460 | - | 196,460 |
| Fundraising activities | 120,315 | - | 120,315 |
| Investment Management Costs | 73,687 | - | 73,687 |
| *Expenditure on charitable activities:* | | | |
| In-patient Care | 3,449,774 | 105,193 | 3,554,967 |
| Sunflower Centre | 328,413 | 18,527 | 346,940 |
| Hospice@Home | 198,200 | 392,514 | 590,714 |
| Lymphoedema Service | 47,252 | - | 47,252 |
| Bereavement and Family Support | 176,932 | - | 176,932 |
| **Total expenditure** | **6,640,674** | **516,234** | **7,156,908** |
| **Net (expenditure)/income before other recognised (losses)/gains** | **(408,028)** | **141,193** | **(266,835)** |
| Realised and unrealised (losses)/gains on investments | (345,805) | - | (345,805) |
| Realised and unrealised gains on investment property | 10,000 | - | 10,000 |
| **Net (expenditure)/income** | **(743,833)** | **141,193** | **(602,640)** |
| Transfers between funds | 80,641 | (80,641) | - |
| **Net movement in funds** | **(663,192)** | **60,552** | **(602,640)** |
| Total funds brought forward | 19,652,043 | 18,691 | 19,670,734 |
| **Total funds carried forward** | **18,988,851** | **79,243** | **19,068,094** |