

# **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).

## **St. Leonard's Hospice York**

### **Report of the Trustees for the year ending 31 March 2022**

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

# **St. Leonard's Hospice York**

## **Report of the Trustees for the year ending 31 March 2022**

### **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 System 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

## **St. Leonard's Hospice York**

### **Report of the Trustees for the year ending 31 March 2022**

#### **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

## **St. Leonard's Hospice York**

### **Report of the Trustees for the year ending 31 March 2022**

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



## **St. Leonard's Hospice York**

### **Report of the Trustees for the year ending 31 March 2022**

- 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

## **St. Leonard's Hospice York**

### **Report of the Trustees for the year ending 31 March 2022**

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 actively engaged with the local place-based 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

## **St. Leonard's Hospice York**

### **Report of the Trustees for the year ending 31 March 2022**

- 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

## **St. Leonard's Hospice York**

### **Report of the Trustees for the year ending 31 March 2022**

#### **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)

# **St. Leonard's Hospice York**

## **Report of the Trustees for the year ending 31 March 2022**

### **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](http://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.

## **St. Leonard's Hospice York**

### **Report of the Trustees for the year ending 31 March 2022**

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.

## **St. Leonard's Hospice York**

### **Report of the Trustees for the year ending 31 March 2022**

#### **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;



## **St. Leonard's Hospice York**

### **Report of the Trustees for the year ending 31 March 2022**

- 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:

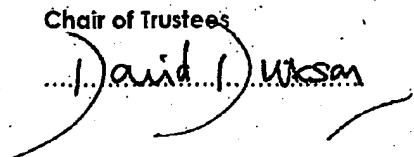
- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware; and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken 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.

## **St. Leonard's Hospice York**

### **Independent Auditor's Report for the year ending 31 March 2022**

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.

## **St. Leonard's Hospice York**

### **Independent Auditor's Report for the year ending 31 March 2022**

#### **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](http://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.

## **St. Leonard's Hospice York**

### **Independent Auditor's Report for the year ending 31 March 2022**

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
<b>Income from:</b>					
Donations and legacies	4	3,431.7	1,721.5	5,153.2	2,536.2
<i>Income from charitable activities:</i>					
Grants and contract income	5	2,083.1	391.6	2,474.7	3,447.9
<i>Income from other trading activities:</i>					
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
<b>Total income</b>		<b>8,831.0</b>	<b>2,113.1</b>	<b>10,944.1</b>	<b>7,582.7</b>
<b>Expenditure on:</b>					
<i>Costs of raising funds:</i>					
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
<i>Expenditure on charitable activities:</i>					
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
<b>Total expenditure</b>	11	<b>6,763.7</b>	<b>1,105.1</b>	<b>7,868.8</b>	<b>7,326.0</b>
<b>Net income/ (expenditure) before other recognised gains/ (losses)</b>		<b>2,067.3</b>	<b>1,008.0</b>	<b>3,075.3</b>	<b>256.7</b>
Realised and unrealised gains/ (losses) on investments	18	471.7	-	471.7	2,256.0
<b>Net income/ (expenditure) and net movement in funds</b>		<b>2,539.0</b>	<b>1,008.0</b>	<b>3,547.0</b>	<b>2,512.7</b>
Total funds brought forward		21,471.1	109.7	21,580.8	19,068.1
<b>Total funds carried forward</b>	23	<b>24,010.1</b>	<b>1,117.7</b>	<b>25,127.8</b>	<b>21,580.8</b>

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.

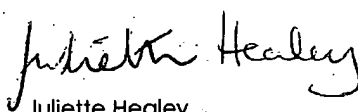
**St. Leonard's Hospice York**  
**Balance Sheets as at 31 March 2022**

	Notes	Charity		Group	
		2022	2021	2022	2021
		£k	£k	£k	£k
<b>Fixed assets</b>					
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	-	-
<b>Total fixed assets</b>		<b>19,637.9</b>	<b>19,378.1</b>	<b>19,637.8</b>	<b>19,378.0</b>
<b>Current assets</b>					
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
<b>Total current assets</b>		<b>5,908.9</b>	<b>2,579.8</b>	<b>5,924.1</b>	<b>2,594.5</b>
<b>Liabilities</b>					
Creditors falling due within one year	21	(432.2)	(389.7)	(434.1)	(391.7)
<b>Net current assets</b>		<b>5,476.7</b>	<b>2,190.1</b>	<b>5,490.0</b>	<b>2,202.8</b>
<b>Net assets</b>	<b>23</b>	<b>25,114.6</b>	<b>21,568.2</b>	<b>25,127.8</b>	<b>21,580.8</b>
<b>The funds of the charity</b>					
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
<b>Total charity funds</b>	<b>23</b>	<b>25,114.6</b>	<b>21,568.2</b>	<b>25,127.8</b>	<b>21,580.8</b>

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
<b>Net cash provided by operating activities</b>	<b>28</b>	<b>1,556.6</b>	<b>596.4</b>
<b>Cash flows from investing activities:</b>			
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
<b>Net cash provided by/(used in) financing activities</b>		<b>284.4</b>	<b>(356.3)</b>
 <b>Change in cash and cash equivalents in the year</b>		<b>1,841.0</b>	<b>240.1</b>
Cash and cash equivalents at the start of the year		780.5	540.4
<b>Total cash and cash equivalents at the end of the year</b>		<b>2,621.5</b>	<b>780.5</b>
 <b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		2,621.5	780.5
		<b>2,621.5</b>	<b>780.5</b>



# 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

## St. Leonard's Hospice York

### Notes to the Financial Statements for the year ending 31 March 2022

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.

# St. Leonard's Hospice York

## Notes to the Financial Statements for the year ending 31 March 2022

- 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.

# St. Leonard's Hospice York

## Notes to the Financial Statements for the year ending 31 March 2022

(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% to 10% 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.

## **St. Leonard's Hospice York**

### **Notes to the Financial Statements for the year ending 31 March 2022**

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).

## St. Leonard's Hospice York

### Notes to the Financial Statements for the year ending 31 March 2022

#### 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
	<u>10,909.5</u>	<u>7,799.2</u>
Expenditure	(7,834.8)	(7,305.6)
<b>Net income</b>	<b>3,074.7</b>	<b>493.6</b>
Investment gains	471.7	2,255.9
Total funds brought forward	21,568.2	18,818.7
<b>Total funds carried forward</b>	<b><u>25,114.6</u></b>	<b><u>21,568.2</u></b>
Represented by:		
Unrestricted income funds	23,996.9	21,458.5
Restricted income funds	1,117.7	109.7
	<u>25,114.6</u>	<u>21,568.2</u>

#### 4. Income from donations and legacies

	2022 £k	2021 £k
Donations	2,014.7	1,146.1
Legacies	3,138.5	1,390.1
	<u>5,153.2</u>	<u>2,536.2</u>

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.

# St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2022

## 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
	<u>1,850.7</u>	<u>1,693.3</u>
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	<u>2,474.7</u>	<u>3,447.9</u>

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	<u>2,127.9</u>	<u>707.0</u>
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	<u>(1,696.1)</u>	<u>(1,437.0)</u>
Net profit/(loss) arising from shops	<u>431.8</u>	<u>(730.0)</u>

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.

## St. Leonard's Hospice York

### Notes to the Financial Statements for the year ending 31 March 2022

The summary financial performance of the subsidiary alone is:

	2022	2021
	£k	£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	2021
	£k	£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	2021
	£k	£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



## St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2022

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

	2022	2021
	£k	£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	2021
	£k	£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

# St. Leonard's Hospice York

## Notes to the Financial Statements for the year ending 31 March 2022

### 10. Restricted funds

#### Year ended 31 March 2022

Year ended 31 March 2022	Movement in Funds			
	Balance 01-Apr 2021 £k	Income £k	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

Year ended 31 March 2021	Movement in Funds			
	Balance 01-Apr 2020 £k	Income £k	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.

## **St. Leonard's Hospice York**

### **Notes to the Financial Statements for the year ending 31 March 2022**

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. Health 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.

# St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2022

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

	Direct	Support	Governance	Total
For the year ended 31 March 2022	Costs	Costs	Costs	2022
	£k	£k	£k	£k
<i>Costs of raising funds:</i>				
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
<i>Investment management costs</i>	81.2	-	-	81.2
<i>Expenditure on charitable activities:</i>				
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
<b>Total expenditure</b>	<b>6,444.9</b>	<b>1,414.3</b>	<b>9.6</b>	<b>7,868.8</b>

### 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 2022
	£k	£k	£k	£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
	<b>667.1</b>	<b>369.6</b>	<b>377.6</b>	<b>1,414.3</b>

## St. Leonard's Hospice York

### Notes to the Financial Statements for the year ending 31 March 2022

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
<i>Costs of raising funds:</i>				
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
<i>Investment management costs</i>	75.4	-	-	75.4
<i>Expenditure on charitable activities:</i>				
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
<b>Total expenditure</b>	<b>6,144.6</b>	<b>1,133.1</b>	<b>48.3</b>	<b>7,326.0</b>

#### 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
	<b>467.7</b>	<b>352.4</b>	<b>313.0</b>	<b>1,133.1</b>

## St. Leonard's Hospice York

### Notes to the Financial Statements for the year ending 31 March 2022

#### 12. Net income for the year

This is stated after charging:

	2022 £k	2021 £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 £k	2021 £k
Wages and salaries	5,169.4	4,792.4
Social security costs	465.4	407.2
Pension costs	587.1	574.1
	<u>6,221.9</u>	<u>5,773.7</u>

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

## St. Leonard's Hospice York

### Notes to the Financial Statements for the year ending 31 March 2022

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](http://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.

# St. Leonard's Hospice York

## Notes to the Financial Statements for the year ending 31 March 2022

### 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
<b>Cost:</b>								
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
<b>Depreciation</b>								
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
<b>Net Book Values</b>								
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

	The Charity and the Group	
Investments	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



## St. Leonard's Hospice York

### Notes to the Financial Statements for the year ending 31 March 2022

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
	<u>3,338.6</u>	<u>1,973.1</u>	<u>3,285.6</u>	<u>1,795.2</u>

	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
	<u>54.0</u>	<u>178.1</u>

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.

## St. Leonard's Hospice York

### Notes to the Financial Statements for the year ending 31 March 2022

#### 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
	<u>432.2</u>	<u>389.7</u>	<u>434.1</u>	<u>391.7</u>

#### 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

	Unrestricted Funds	Restricted Funds	Total
	£k	£k	£k
<b>Fund balances at 31 March 2022 are represented by:</b>			
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)
<b>Total net assets</b>	<u>24,010.1</u>	<u>1,117.7</u>	<u>25,127.8</u>

	Unrestricted Funds	Restricted Funds	Total
	£k	£k	£k
<b>Fund balances at 31 March 2021 are represented by:</b>			
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)
<b>Total net assets</b>	<u>21,471.1</u>	<u>109.7</u>	<u>21,580.8</u>

## St. Leonard's Hospice York

### Notes to the Financial Statements for the year ending 31 March 2022

#### 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 £k	2021 Land & Buildings £k	2022 Other £k	2021 Other £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
	<u>387.7</u>	<u>335.5</u>	<u>4.4</u>	<u>6.3</u>

#### 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.

## St. Leonard's Hospice York

### Notes to the Financial Statements for the year ending 31 March 2022

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

	2022	2021
	£k	£k
Net movement in funds	3,075.3	256.7
<b>Adjustments for:</b>		
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)
<b>Net cash provided by operating activities</b>	<b>1,556.6</b>	<b>596.4</b>

#### 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
<b>Income from:</b>			
Donations and legacies	2,345.3	190.9	2,536.2
<i>Income from charitable activities:</i>			
Grants and contract income	1,448.0	1,999.9	3,447.9
<i>Income from other trading activities:</i>			
Shops	707.0	-	707.0
Lottery	352.4	-	352.4
Fundraising activities	190.3	-	190.3
Investment Income	348.9	-	348.9
<b>Total income</b>	<b>5,391.9</b>	<b>2,190.8</b>	<b>7,582.7</b>
<b>Expenditure on:</b>			
<i>Costs of raising funds:</i>			
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
<i>Expenditure on charitable activities:</i>			
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
<b>Total expenditure</b>	<b>5,165.7</b>	<b>2,160.3</b>	<b>7,326.0</b>
<b>Net income before other recognised gains</b>	<b>226.2</b>	<b>30.5</b>	<b>256.7</b>
Realised and unrealised gains on investments	2,256.0	-	2,256.0
<b>Net income</b>	<b>2,482.2</b>	<b>30.5</b>	<b>2,512.7</b>
Total funds brought forward	18,988.9	79.2	19,068.1
<b>Total funds carried forward</b>	<b>21,471.1</b>	<b>109.7</b>	<b>21,580.8</b>